Code Sets Basics

What is a Medical or Non-Medical Code Set?

A code set is a shared list of codes that is used in place of longer names or explanations.

Health care transactions use medical code sets to quickly identify:

- Diagnoses
- Treatments, procedures, and tests
- Medical equipment and supplies
- Medications

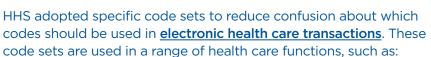**Health care transactions** use non-medical code sets to quickly identify:

- Organizational routing information
- Claim payment adjustment information
- Claim status information
- ZIP code information

Using adopted code sets in **standard transactions** streamlines the administrative process by reducing time spent translating information into different formats.

Administrative Simplification Code Sets

HHS adopted specific code sets to reduce confusion about which codes should be used in **electronic health care transactions**. These code sets are used in a range of health care functions, such as:

- Billing
- Tracking public health trends
- Research

Widespread use of **standard transactions**—where everyone uses the same language, format, and codes—can lead to time and cost savings across the health care industry.

Below is a list of health care activities and items commonly referenced in standard transactions and the code sets used to identify each code set.

Health Care Activity/Item	Adopted Code Set
Diagnoses (ICD-10-CM) Procedures (ICD-10-PCS)	**ICD-10 – International Classification of Diseases, 10th edition**
Outpatient services/procedures	**CPT – Current Procedure Terminology**
Health care equipment and supplies	**Health Care Common Procedure Coding System (HCPCS)**
Services not covered by CPT codes	
Dental procedures	**CDT – Code on Dental Procedures and Nomenclature**
Drug products	**NDC – National Drug Codes**