



# Medical Coding Basics

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## What is Medical Coding?

Medical coding is the transformation of healthcare diagnosis, procedures, medical services, and equipment into universal medical alphanumeric codes. The diagnoses and procedure codes are taken from medical record documentation, such as transcription of physician's notes, laboratory and radiologic results, etc. Medical coding professionals help ensure the codes are applied correctly during the medical billing process, which includes abstracting the information from documentation, assigning the appropriate codes, and creating a claim to be paid by insurance carriers.

Medical coding happens every time you see a healthcare provider. The healthcare provider reviews your complaint and medical history, makes an expert assessment of what's wrong and how to treat you, and documents your visit. That documentation is not only the patient's ongoing record, it's how the healthcare provider gets paid.

## Why is Medical Coding Needed?

The healthcare revenue stream is based on the documentation of what was learned, decided, and performed.

A patient's diagnosis, test results, and treatment must be documented, not only for reimbursement but to guarantee high quality care in future visits. A patient's personal health information follows them through subsequent complaints and treatments, and they must be easily understood. This is especially important considering the hundreds of millions of visits, procedures, and hospitalizations annually in the United States.

The challenge, however, is that there are thousands of conditions, diseases, injuries, and causes of death. There are also thousands of services performed by providers and an equal

number of injectable drugs and supplies to be tracked. Medical coding classifies these for easier reporting and tracking. And in healthcare, there are multiple descriptions, acronyms, names, and eponyms for each disease, procedure, and tool. Medical coding standardizes the language and presentation of all these elements so they can be more easily understood, tracked, and modified.

This common language, mandated by the Health Information Portability and Accountability Act (HIPAA), allows hospitals, providers, and payers to communicate easily and consistently. Nearly all private health information is kept digitally and rests on the codes being assigned.

## **How do you become a Medical Coder?**

Successful Medical Coders know anatomy, physiology, medical procedures, and payer rules and policies. To become a Medical Coder, you must attend training via a coding-specific training program or college. Afterward, finding a job in the field is easier if you have a professional credential, such as AAPC's.

There are several Medical Coding certifications available, depending on the area of the revenue cycle you wish to pursue. The baseline for most is the Certified Professional Coder (CPC), which certifies the coder's ability to work in outpatient settings. Facility coders should pursue the Certified Inpatient Coder (CIC) for inpatient coding and Certified Outpatient Coder (COC) for hospital patients receiving in-and-out services. Here's an infographic to help you choose the right hospital credential. There are several programs available both for online training on Medical Coding and physical Medical Coding training classes.

Today more than 200,000 medical professionals are members of AAPC. AAPC elevates the standards of Medical Coding by developing training, professional certification, opportunities to network with other related medical professionals and providing a variety of job search and career building opportunities

## **Perks of being a Medical Coder**

1. You'll be in demand.

Healthcare is an everyday reality. In fact, U.S. physicians see roughly 860.4 million patients each year - and every patient encounter requires a medical coder to report the office visit. So, yes, medical coding is a great career choice in terms of job demand and the financial stability an in-demand profession offers.

2. You'll earn a competitive salary.

AAPC certified coders earn an average of \$58,055 annually, according to AAPC's Annual Salary Survey. Not only is this income above national averages for all occupations, but the average salary jumps to \$64,712 for coding specialists with two certifications. Career advancements as certified auditors, documentation specialists, and compliance officers raise earning potential even higher. In 2022, these professionals averaged \$70,320, \$73,723, and \$80,550, respectively.

3. You'll have educational options.

You can choose from multiple training scenarios to become a medical coder. Though an

associate degree or bachelor's degree is not required, you might prefer traditional coursework at a technical school, community college, or other institution of higher education. Some schools offer convenient, online courses you can complete at your pace. AAPC offers a full curriculum of training classes and study guides to help you become a certified coder, including classroom and online options.

4. You can start a career in months, not years.

Although some schools offer a two or four-year degree in medical coding, it isn't necessary to devote extensive time and expense to become a certified professional coder (CPC®). AAPC's training courses can be completed in as little as four months. To receive a CPC® designation, you must have at least two years' medical coding experience. The good news is, you can earn while you learn with your CPC-A, which stands for certified professional coder apprentice.

5. You'll have opportunities for advancement.

An experienced certified coder develops skills and knowledge that are valuable in many healthcare business roles, including practice management, medical auditing, compliance, clinical documentation improvement, education, and more. AAPC offers a variety of specialized certifications to help you advance your career and elevate your earning potential.

6. You'll always be learning.

Healthcare is a dynamic industry of emerging technologies, advancing standards of care, and evolving code and payer guidelines. A medical coder's job, in other words, never gets old. No matter how long you've been working in the field, you'll face new challenges and find there's always more to learn. This feature of the occupation is one veteran coders say they most enjoy.

7. You can work from home.

While medical coders work in physician offices, hospitals, and many other types of healthcare facilities, a growing number of work-from-home opportunities are becoming available. Remote work gives medical coders flexibility and saves the time and cost of commuting. Working from home, though, does require the self-discipline to stay productive.

8. You can dress comfortably at work.

Coders typically work in back offices, or from home, which means you can dress for comfort. Sometimes coders working in facilities wear scrubs. If you like to dress in professional attire, you're free to do so, but isn't it nice to know you can choose sneakers over dress shoes once in a while?

9. You can make a difference.

Although medical coders don't save lives in the way healthcare providers do, their contributions are vital to ensuring the continuity of patient care, which affects patient outcomes. Medical coders also play a role in keeping healthcare providers in business, and this helps to make healthcare sustainable and available to all.

## What does a Medical Coder do?

Medical coders are highly specialized professionals who review patient health information recorded in the medical record. They then translate details such as symptoms, conditions, injuries, diseases, and medical treatment into alphanumeric codes. These medical codes serve as a language spoken between providers and payers. Because clinical documentation contains sensitive information, coders need to follow state and federal privacy regulations to maintain patient confidentiality.

When claim denials occur, coders assist in resolving the denial. Coders also meet with physicians to explain how they can improve their documentation to better support compliant coding and payment.

## Will I like Medical Coding?

Medical coding is a great job, but it isn't for everyone. You have to really enjoy solving puzzles because every case you code is essentially a puzzle to find the exact codes to portray a full picture of the patient's health. If you like sleuthing for answers, though — and you're interested in medicine and think you'd like interacting with doctors and clinicians — then there's a lot to love about coding.

## Is there a Job Demand for Medical Coders?

The demand for medical coders is high and continues to rise due to the historic shift in U.S. age demographics. This growth of our older population poses healthcare challenges, including an anticipated shortage of 105,000 physicians by 2030, according to the Association of American Medical Colleges.

The rising demand for healthcare providers extends to medical billers and coders who support hospitals, ambulatory surgical centres, and physician-based practices. Job growth for health information technicians is projected to grow 8% by 2029, with healthcare occupations adding more jobs than any of the other occupational groups, says the Bureau of Labor Statistics.

## What is the difference between Certified and Non-certified Medical Coder?

There is a significant difference between certified and non-certified medical coders. While there are no legal requirements for certification to be a medical coder, certified medical coders possess credentials that identify them as experts in their field. In addition to passing rigorous exams for medical coding, a certified coder has passed exams in gross anatomy and medical terminology, giving them critical knowledge and proficiency important for reading and interpreting patient charts correctly.

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*If you are unable to find the answer you are looking for, simply **contact us!***

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