

Lab Billing Brief

Navigating and Preventing Denials

This bulletin aims to keep you informed and equipped with the latest information on medical necessity of the tests you order to ensure accurate and efficient billing practices.

More Info Available:

PDF: [CMS Non-Covered ICD-10-CM Codes for All Lab NCDs \(January 2025\)](#)

The ICD-10-CM codes in the table linked above can be viewed on CMS' website as part of Downloads: [Lab Code List](#) (CMS website)

Z-Codes and Medical Necessity

ICD-10 diagnosis codes that begin with "Z" generally do not meet medical necessity requirements for diagnostic laboratory testing under Medicare or Medicare Advantage, with few exceptions. This is particularly true for Z codes associated with routine examinations, which are listed below.

If a laboratory order includes only one or more of these codes, the claim will likely be denied due to lack of medical necessity. To help ensure coverage, additional diagnosis codes that clearly support the medical need for testing must be included.

Commonly Denied Z-Codes Include:

- Z00.00 - Encounter for general adult medical examination without abnormal findings
- Z00.01 - Encounter for general adult medical examination with abnormal findings
- Z00.110 - Health examination for newborn under 8 days old
- Z00.111 - Health examination for newborn 8 to 28 days old
- Z00.121 - Encounter for routine child health examination with abnormal findings
- Z00.129 - Encounter for routine child health examination without abnormal findings
- Z00.5 - Encounter for examination of potential donor of organ and tissue
- Z00.6 - Encounter for examination for normal comparison and control in clinical research program
- Z00.70 - Encounter for examination for period of delayed growth in childhood without abnormal findings
- Z00.71 - Encounter for examination for period of delayed growth in childhood with abnormal findings
- Z00.8 - Encounter for other general examination
- Z02.0 - Encounter for examination for admission to educational institution
- Z02.1 - Encounter for pre-employment examination
- Z02.2 - Encounter for examination for admission to residential institution
- Z02.3 - Encounter for examination for recruitment to armed forces

Commonly Denied Z-Codes (continued):

- Z02.4 - Encounter for examination for driving license
- Z02.5 - Encounter for examination for participation in sport
- Z02.6 - Encounter for examination for insurance purposes
- Z02.84 - Encounter for child welfare exam
- Z02.89 - Encounter for other administrative examinations
- Z02.9 - Encounter for administrative examinations, unspecified
- Z04.6 - Encounter for general psychiatric examination, requested by authority
- Z04.81 - Encounter for examination and observation of victim following forced sexual exploitation
- Z04.82 - Encounter for examination and observation of victim following forced labor exploitation
- Z04.89 - Encounter for examination and observation for other specified reasons
- Z04.9 - Encounter for examination and observation for unspecified reason
- Z13.30 - Encounter for screening examination for mental health and behavioral disorders, unspecified
- Z13.39 - Encounter for screening examination for other mental health and behavioral disorders

These codes are typically considered screening or administrative in nature and do not justify medical necessity for lab testing on their own.

Please review [the full list](#) and contact your laboratory account manager with any questions.