



Western Australian Coding Rule

0725/25 Fatty liver and other reversible features of insulin resistance

Q.

Does fatty liver or obesity need to be documented as a current condition in order to apply Directive 3.1 in ACS 0401 *Diabetes mellitus and intermediate hyperglycaemia/3. DM and IH with features of insulin resistance*?

A.

Documentation of a chronic condition is unlikely to be accompanied by a statement of it being 'current'. A documented chronic condition (e.g. chronic condition listed under 'Past Medical History') is generally presumed to be current unless otherwise indicated.

The following rationale from retired National Coding Advice TN428 *ACS 0401 Diabetes mellitus and intermediate hyperglycaemia workshop FAQs: Diabetes mellitus with features of insulin resistance* (retired 30 June 2019) is deemed to still be applicable:

“...if conditions which previously contributed to the assignment of E1-.72 *Diabetes mellitus with features of insulin resistance* (such as obesity or characteristic dyslipidaemia) are no longer current, then these conditions should no longer be considered as contributing to the criteria for assignment of E1-.72 *Diabetes mellitus with features of insulin resistance*.”

Clinical advice indicates that fatty liver disease is reversible. If there is documentation indicating that reversible features of insulin resistance (e.g. fatty liver, obesity) are no longer a current condition, then they are not eligible to contribute to criteria in ACS 0401/*Directive 3.1*.

Dyslipidaemia which is controlled by medication is still a current condition (the condition has not been reversed/eradicated).

DECISION

If there is documentation indicating that reversible features of insulin resistance (e.g. fatty liver, obesity) are no longer a current condition, then they are not eligible to contribute to criteria in ACS 0401/*Directive 3.1*.

This WA Coding Rule 0725/25 *Fatty liver and other reversible features of insulin resistance* supersedes WA Coding Rule 0813/02 *Type 2 diabetes mellitus with fatty liver*.



This Rule has been modified to amend original classification instruction in WACR 0813/02 *Type 2 diabetes mellitus with fatty liver*; and to correspond with an update in ICD-10-AM/ACHI/ACS Eleventh Edition.

Effective 1 July 2026, ICD-10-AM/ACHI/ACS 13th Ed.

As per the Patient Activity Data Policy (MP 0164/21) Western Australian Coding Rules must be followed.



Western Australian Coding Rule

0813/02 Type 2 diabetes mellitus with fatty liver

Q.

If there is only documentation of 'fatty liver' as 'past medical history' in the notes and there is clearly no history of alcohol use, then can we code this as E11.72 *Diabetes with features of insulin resistance*, or does 'fatty liver' have to be documented as a current condition in that admission, as per the instructions for obesity and dyslipidaemia? I.e. can fatty liver be reversed?

A.

NCCC Q&A June 2012 stated "...if conditions which previously contributed to the assignment of E1-.72 *Diabetes mellitus with features of insulin resistance* (such as obesity or characteristic dyslipidaemia) are no longer current, then these conditions should no longer be considered as contributing to the criteria for assignment of E1-.72 *Diabetes mellitus with features of insulin resistance*."

Clinical advice indicates that potentially fatty liver disease is completely reversible. Therefore there must be documentation of fatty liver disease as a current condition in the episode of care for E1-.72 *Diabetes mellitus with features of insulin resistance* to be assigned.

DECISION

Nonalcoholic fatty liver disease or non-alcoholic steatohepatitis must be documented as a current condition in the episode of care for E1-.72 *Diabetes mellitus with features of insulin resistance* to be assigned.

[Effective 21 Aug 2013, ICD-10-AM/ACHI/ACS 8th Ed.]