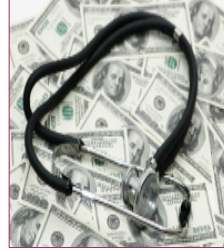


# 2010 IPPS MS-DRG Update



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## Speaker

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## Disclaimer

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## Goals/Objectives

**Participants will ... Understand the FY2010 IPPS  
Key focus**

**Participants will ... Review information on the MS-  
DRG changes**

**Participants will ... Receive information the Relative  
weight and LOS changes for MS-DRGs for  
FY2010**

**Participants will ... HAC and POA impact on MS-  
DRGs for FY2010**



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## IPPS Background & History

**Goal was to identify a manageable number of patient groups that shared demographic, diagnostic, and therapeutic attributes**

**Medicare changed the structure of reimbursement in late 1983 in an effort to decrease the cost of health care with IPPS (Inpatient Prospective Payment System)**

- Prospective payment based on submitted diagnostic, LOS, etc. elements
  - Predetermine \$



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## Background & History on DRGs

**Development of UHDDS (Uniform Hospital Discharge Data Set)**

- This was established in 1974
- Specific data elements were required for all hospital inpatient stays

**Within IPPS are MDCs (Major Diagnostic Category) which result in being subdivided into DRGs (Diagnosis Related Groups)**

**Major diagnostic categories (MDC) is a classification of diagnoses typically grouped by anatomic system and is the basis for the DRG system**

**Each DRG falls into a MDC**

- 25 MDCs



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## MDCs within IPPS

Major Diagnostic Categories (MDCs)	
1	Diseases and Disorders of the Nervous System
2	Diseases and Disorders of the Eye
3	Diseases and Disorders of the Ear, Nose, Mouth, and Throat
4	Diseases and Disorders of the Respiratory System
5	Diseases and Disorders of the Circulatory System
6	Diseases and Disorders of the Digestive System
7	Diseases and Disorders of the Hepatobiliary System and Pancreas
8	Diseases and Disorders of the Musculoskeletal System and Connective Tissue
9	Diseases and Disorders of the Skin, Subcutaneous Tissue and Breast
10	Endocrine, Nutritional and Metabolic Diseases and Disorders
11	Diseases and Disorders of the Kidney and Urinary Tract
12	Diseases and Disorders of the Male Reproductive System
13	Diseases and Disorders of the Female Reproductive System
14	Pregnancy, Childbirth, and the Puerperium
15	Newborns and Other Neonates with Conditions Originating in the Perinatal Period
16	Diseases and Disorders of the Blood and Blood Forming Organs and Immunological Disorders
17	Myeloproliferative Diseases and Disorders and Poorly Differentiated Neoplasms
18	Infectious and Parasitic Diseases (Systemic or Unspecified Sites)
19	Mental Diseases and Disorders
20	Alcohol/Drug Use and Alcohol/Drug Induced Organic Mental Disorders
21	Injuries, Poisonings, and Toxic Effects of Drugs
22	Burns
23	Factors Influencing Health Status and Other Contacts with Health Services
24	Multiple Significant Trauma
25	Human Immunodeficiency Virus Infections

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## Diagnosis Related Groups – DRG

**DRGs are patient categories or groupings by the given diagnoses, grouping like-diagnoses together**

**DRG grouping uses the presence of procedures, the age, the sex, the presence of a complication or comorbid condition, and the discharge status (disposition/patient status)**

- Principal diagnosis linked & grouped by anatomical body system
- Patient's surgical status:
  - Principal diagnosis with or without non-surgical (OR) procedure (nonsurgical DRG), or extent of surgical (OR) procedure (surgical DRG)

## IPPS DRG

**Inpatient Prospective Payment System (IPPS), the hospital is paid an amount for the expected cost of treatment and resources for a given DRG or a Diagnostic Related Group, not based on the actual costs but charges. Each DRG has a Relative Weight or “RW”**

- The relative weight of the DRG is the same at each hospital
- Relative Weight (RW) = numeric figure (number) to reflect the relative “resource consumption” associated with the specific DRG

**The higher the relative weight, the greater the resources utilized, the greater the reimbursement**

**A computer software called “grouper” is used to compute (group) the DRG via the submitted demographics and coded data (ICD-9-CM codes) and program algorithms**

- Software program “encoder”

## Diagnostic Related Groups – DRG

**GMLOS = the geometric mean length of stay. This value helps to determine the allowances that should be made for outliers and transfer cases. The GMLOS is calculated by CMS annually and is the same for a given DRG.**

**Outlier = is a case that has an exceptionally high cost compared with other cases classified to the same DRG. The fiscal intermediary (FI) will make an additional payment to the original DRG in these circumstances.**

- There is a specific formula used to determine outlier payment and is provided by CMS

## DRG Relative Weight

**Original CMS DRG relative weights based on charges**

**MS-DRG relative weights (RW) based on costs**

**According to CMS, setting the DRG relative weights based on costs is expected “to reduce incentives for hospitals to cherry pick the healthiest and most profitable patients.”**

**Costs demonstrate the “resources” utilized to care for the patient**

**Higher costs, higher resources, higher payment**

## RW is Cost-Based Methodology

**There are 15 distinct hospital department cost-to-charge ratios (CCRs) used to calculate the cost-based weights:**

- Routine care
- Pharmacy
- Emergency Room
- Inhalation therapy
- Labor & delivery
- Anesthesia
- Laboratory
- Other services
- Intensive care
- Supplies and equipment
- Therapy
- Operating room
- Blood & Blood Products
- Cardiology
- Radiology

Inpatient charging matters!

## MS-DRGs

- Many previous CMS DRGs separated patients by age (<17)
- MS-DRG has no specific age with the DRG groupings
- CMS says that IPPS is primarily representing the elderly, not pediatrics
- Cases with age <17 now rolled into parent DRG grouping
- Newborn MS-DRGs – remain in place

- MS-DRGs continue to be divided into Medical and Surgical
- The impact of a surgical procedure can be significant, increasing the RW and the payment
- Some OR procedures do not affect DRG assignment (laparotomy for feeding jejunostomy), some non-OR procedures do (excisional debridement)

## MS-DRGs

MS-DRGs have up to three tiers of payment for each DRG based on the presence of:

- a *major* complication or comorbidity (MCC)
- a complication or comorbidity (CC)
- *no* complication or comorbidity

The presence or absence of a “MCC/CC” can have significant impact on the MS-DRG assignment, the RW and payment

Complete, accurate, and timely documentation as well as coding should be the primary consideration of the coders AND also the ability to recognize and capture MCC/CCs

## MS-DRGs

### The MCC/CC list composed of:

- Significant acute diseases
- Acute exacerbations of chronic significant diseases
- Advanced end stage diseases
- Chronic diseases with extensive debility
- Consistently greater impact on hospital resources

Note: Multiple secondary diagnoses at one level does not cause a patient to be assigned to a higher subgroup. *Example:* Patient two regular "CCs" does not make a MCC.



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## MS-DRG...Bring it together for the payment

### Hospital Base Rate = \$8200 for example

- Each hospital base rate is calculated based upon economic factors

### MS-DRG 195 Simple Pneumonia without MCC/CC

- RW .8398 (FY08)
- GMLOS = 3.5
- Multiple  $8200 \times \text{RW } .8398 = \underline{\$6886.36}$  payment

### MS-DRG = DRG 194 Simple Pneumonia with CC

- RW = 1.0235 (FY08)
- GMLOS = 4.5 (this is important for CM/UR)
- Multiple  $8200 \times \text{RW } 1.0235 = \underline{\$8392.70}$  payment

### MS-DRG = DRG 193 Simple Pneumonia with MCC

- RW = 1.2505 (FY08)
- GMLOS = 5.5 (this is important for CM/UR)
- Multiple  $8200 \times \text{RW } 1.2505 = \underline{\$10254.10}$  payment



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## Discharge Disposition or Post-Acute Care Transfer Rule

### 273 MS-DRGs with PACT

Federal Register, table 5 has the list of MS-DRGs and designates which ones are impacted by PACT (Post Acute Care Transfer) rule

Compliance should be checking (audits, etc.) the accuracy of the patient status codes/discharge disposition...overpayments and underpayments!



## Federal Register Table 5 – PACT

	A	B	C	D	E	F	G	H	I
1	MS-DRG	FY 2010 Final Rule Post-Acute Pay DRG	FY 2010 Final Rule Special Pay DRG	MCC	TYPE	MS-DRG Title	Weight	Geometric mean LOS	Arithmetic mean LOS
2	001	No	No	PRE	SURG	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	24.8548	31.5	43.9
3	002	No	No	PRE	SURG	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	11.7540	16.4	21.2
4	003	Yes	No	PRE	SURG	ECMO OR TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W MAJ O.R.	18.2667	31.6	38.5
5	004	Yes	No	PRE	SURG	TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W/O MAJ O.R.	11.1941	22.9	28.2
6	005	No	No	PRE	SURG	LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	10.1358	14.9	20.3
7	006	No	No	PRE	SURG	LIVER TRANSPLANT W/O MCC	4.7569	8.3	9.2
8	007	No	No	PRE	SURG	LUNG TRANSPLANT	9.4543	15.6	18.6
9	008	No	No	PRE	SURG	SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	5.0615	10.4	12.3
10	009	No	No	PRE	SURG	BONE MARROW TRANSPLANT	6.5419	17.7	21.3
11	010	No	No	PRE	SURG	PANCREAS TRANSPLANT	4.2752	8.9	10.0
12	011	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE MOUTH & NECK DIAGNOSES W MCC	4.7341	12.7	16.3
13	012	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE MOUTH & NECK DIAGNOSES W CC	3.0306	8.8	10.5
14	013	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE MOUTH & NECK DIAGNOSES W/O CC/MCC	1.8643	5.7	6.9
15	020	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W MCC	6.4332	14.8	18.3
16	021	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W CC	6.2086	12.2	14.4
17	022	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W/O CC/MCC	4.3765	7.4	8.9
18	023	No	No	01	SURG	CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W MCC OR CHEMO IMPLANT	4.9401	8.5	12.1
19	024	No	No	01	SURG	CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W/O MCC	3.2566	5.7	8.0
20	025	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W MCC	4.8236	9.4	12.1
21	026	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W CC	2.9421	6.1	7.7
22	027	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W/O CC/MCC	2.0902	3.1	4.1
23	028	Yes	Yes	01	SURG	SPINAL PROCEDURES W MCC	5.1090	10.2	13.4
24	029	Yes	Yes	01	SURG	SPINAL PROCEDURES W CC OR SPINAL NEUROSTIMULATORS	2.7768	4.8	6.7
25	030	Yes	Yes	01	SURG	SPINAL PROCEDURES W/O CC/MCC	1.6019	2.7	3.5
26	031	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W MCC	4.5341	9.0	13.2
27	032	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W CC	1.9186	3.7	5.5
28	033	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W/O CC/MCC	1.3331	2.2	2.8
29	034	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W MCC	3.1900	4.4	6.9
30	035	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W CC	2.0165	2.0	2.9
31	036	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W/O CC/MCC	1.5744	1.3	1.6
32	037	No	No	01	SURG	EXTRACRANIAL PROCEDURES W MCC	2.9190	5.7	8.3
33	038	No	No	01	SURG	EXTRACRANIAL PROCEDURES W CC	1.4783	2.4	3.4
34	039	No	No	01	SURG	EXTRACRANIAL PROCEDURES W/O CC/MCC	1.0033	1.4	1.7
35	040	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W MCC	3.3576	9.4	12.9
36	041	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W CC OR PERIPH NEUROSTIM	2.1249	5.2	7.0
37	042	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W/O CC/MCC	1.6448	2.4	3.3
38	052	No	No	01	MED	SPINAL DISORDERS & INJURIES W CC/MCC	1.4836	4.5	6.3
39	053	No	No	01	MED	SPINAL DISORDERS & INJURIES W/O CC/MCC	0.8382	3.1	4.0
40	054	Yes	No	01	MED	NERVOUS SYSTEM NEOPLASMS W MCC	1.5637	5.0	6.8
41	055	Yes	No	01	MED	NERVOUS SYSTEM NEOPLASMS W/O MCC	1.0613	3.6	4.9
42	056	Yes	No	01	MED	DEGENERATIVE NERVOUS SYSTEM DISORDERS W MCC	1.6952	5.7	7.7

## Patient Status Codes – Impact payment

It is considered to be a post acute care transfer (PACT) when the patient is transferred to one of the following:

- **02** Transfer to short-term general hospital
- **03** Skilled nursing facility
- **05** Another type health care institution not defined elsewhere
- **06** Home health
  - Within 3 days following discharge
- **62** Inpatient rehabilitation
  - Includes distinct part unit of a hospital
- **63** Long term care hospitals
- **65** Psychiatric hospital
  - Includes distinct part unit of a hospital

## ... 2010 IPPS Final Rule

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Acute Inpatient PPS	Overview
<p><b>Overview</b></p> <ul style="list-style-type: none"> <li>» Steps in Determining a PPS Payment</li> <li>» Wage Index</li> <li>» Outlier Payments</li> <li>» Disproportionate Share Hospital (DSH)</li> <li>» Direct Graduate Medical Education (DGME)</li> <li>» Indirect Medical Education (IME)</li> <li>» New Medical Services and New Technologies</li> <li>» Effects of Implementing Postacute Transfer Policy</li> <li>» Medicare PPS Excluded Cancer Hospitals</li> <li>» Wage Index Files</li> <li>» Acute Inpatient - Files for Download</li> </ul>	<p>Section 1886(d) of the Social Security Act (the Act) sets forth a system of payment for the operating costs of acute care hospital inpatient stays under Medicare Part A (Hospital Insurance) based on prospectively set rates. This payment system is referred to as the inpatient prospective payment system (IPPS). Under the IPPS, each case is categorized into a diagnosis-related group (DRG). Each DRG has a payment weight assigned to it, based on the average resources used to treat Medicare patients in that DRG.</p> <p>The base payment rate is divided into a labor-related and nonlabor share. The labor-related share is adjusted by the wage index applicable to the area where the hospital is located, and if the hospital is located in Alaska or Hawaii, the nonlabor share is adjusted by a cost of living adjustment factor. This base payment rate is multiplied by the DRG relative weight.</p> <p>If the hospital treats a high-percentage of low-income patients, it receives a percentage add-on payment applied to the DRG-adjusted base payment rate. This add-on, known as the disproportionate share hospital (DSH) adjustment, provides for a percentage increase in Medicare payment for hospitals that qualify under either of two statutory formulas designed to identify hospitals that serve a disproportionate share of low-income patients. For qualifying hospitals, the amount of this adjustment may vary based on the outcome of the statutory calculation.</p> <p>Also, if the hospital is an approved teaching hospital it receives a percentage add-on payment for each case paid through IPPS. This add-on known as the indirect medical education (IME) adjustment, varies depending on the ratio of residents-to-beds under the IPPS for operating costs, and according to the ratio</p>

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## Key IPPS Points

### Inflation Update to payment rates 2.1%

**“The policy and payment rates in this final rule will ensure that Medicare beneficiaries continue to have access to high quality inpatient care in both short-stay acute care and long-term care hospitals” per Jonathan Blum, Director of CMS Center for Medicare Management.**

**Continue capital indirect medical education (IME) adjustment to payment rates for teaching hospitals**

**Hospital Quality measures – continue with 2.0% market basket  
Outlier Threshold**

## Key IPPS Points – con't

**Labor-Related Share**  
**Wage Index**  
**New Technology**  
**MS-DRGs and Relative Weights**

## IPPS Capital Teaching Adjustment

- CMS had already reduced the IPPS teaching adjustment by 50% in FY2009 and was planning to eliminate it totally in FY2010
- The American Recovery and Reinvestment Act of 2009 restored the full capital IPPS teaching adjustment in 2009 and in future years.
- The final rule continues to restore that full capital IPPS teaching adjustment.

## Market Basket Update

- CMS is required per the Prescription, Improvement and Modernization Act of 2003 (MMA) to rebase and revise the structure of both the operating and capital market baskets for FY2010.
- FY2010 the operating market base update will be 2.1 percent in FY2010
- Hospitals that do not participate successfully in the Reporting Hospital Quality Date for Annual Payment Update (RHDWAPU) program would receive less 2.0 percentage point market basket update.

## Quality Measures

- CMS included four new quality measures for hospitals. These quality measures require hospital to submit data under the RHQDAPU program.
- The two additions to the existing Surgical Care Improvement Project (SCIP) measure set include the following:
  - SCIP Infection (INF) 9 – Urinary catheter removed on postoperative day one (POD1) or postoperative day two (POD2)
  - SCIP INF 10 – Surgery patients with perioperative temperature management

## Quality Measures

The two structural measures include the following:

**Participation in a systematic clinical database registry: Nursing sensitive care**

**Participation in a systematic clinical database registry: Stroke care**

## New Technology Payment FY2010

- **CMS approved the Spiration® IBV® Valve System for new technology payment of up to \$3,437.50 per case**
- **CMS did NOT approve the LipiScan™ Coronary Imaging System for new technology add-on payment**

## Outlier Threshold

**CMS is raising the outlier threshold to \$23,140 to keep outlier payments equal to the 5.1 percent of total payments under IPPS.**



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## Medicare Code Editor (MCE) Changes

**Diagnoses Allowed for Males Only Edit** – Oversight in FY2009 now will be implemented

- 603.0 (Encysted hydrocele)
- 603.1 (Infected hydrocele)
- 603.8 (Other specified types of hydrocele)
- 603.9 (Hydrocele, unspecified)

**Manifestation Codes as Principal Diagnosis Edit** (Manifestation codes describe the manifestation of an underlying disease, not the disease itself) – can not be a principal diagnosis

NCHS removed the advice “code first associated disorder” from three codes, thereby making them acceptable principal diagnosis codes. codes are:

- 365.41 (Glaucoma associated with chamber angle anomalies)
- 365.42 (Glaucoma associated with anomalies of iris)
- 365.43 (Glaucoma associated with other anterior segment anomalies)

Removed these codes from the Manifestation Code as Principal Diagnosis Edit.



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## Medicare Code Editor (MCE) Changes – con't

### Invalid Diagnosis or Procedure Code – an error with this edit

ICD-9-CM code 00.01 (Therapeutic ultrasound of vessels of head and neck) was inadvertently left out of the MCE tables.

Add code 00.01 to the table of valid codes

### Unacceptable Principal Diagnosis

“Code first any associated multiple endocrine neoplasia syndrome (258.01-258.03)”

Over ride this edit and process claims containing codes from the subcategory 209 series as acceptable principal diagnoses.



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## Medicare Code Editor (MCE) Changes – con't

### Creation of New Edit titled “Wrong Procedure Performed”

Background: January 2009 memorandum on surgery on the wrong body part  
<https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=222>

Memorandum on surgery on the wrong patient:

<https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=221>.

Memorandum on the wrong surgery performed on a patient:

<https://www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=223>

New coverage decisions: revised E-code title is:

- E876.5 (Performance of wrong operation (procedure) on correct patient).

The two new E-codes are as follows:

- E876.6 (Performance of operation (procedure) on patient not scheduled for surgery)
- E876.7 (Performance of correct operation (procedure) on wrong side/body part)

**Change to the MCE so that E-codes E876.5 through E876.7, whether they are in the principal or secondary diagnosis position, will trigger the “Wrong Procedure Performed” edit. Any claim with this edit will be rejected.**



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## Medicare Code Editor (MCE) Changes – con't

Procedures Allowed for Females Only Edit- code 75.37 (Amnioinfusion) and code 75.38 (Fetal pulse oximetry) were inadvertently omitted from the MCE edit "Procedures Allowed for Females Only."

Surgical Hierarchies - relative resource intensity of surgical classes can shift as a function of MS-DRG reclassification and recalibration – No changes in FY2010

## HAC & Present on Admission

**October 1, 2008 CMS began to only pay for those HACs (Hospital Acquired Conditions) coded with the following indicators:**

- "Y" (present on admission)
- "W" (not possible to determine (POA – Present on Admission) status, based on data and clinical judgment)

**CMS will not pay for HACs coded with the following indicators:**

- "N" (not POA)
- "U" (documentation insufficient)

**If the patient is discharged AMA, expired or transferred and the HAC diagnosis (for example: catheter-related UTI) has a POA of "U," then CMS will reimburse that case as if the POA were Y**

## Present on Admission (POA)

Indicator	Descriptor
Y	Indicates that the condition was present on admission.
W	Affirms that the hospital has determined based on data and clinical judgment that it is not possible to document when the onset of the condition occurred.
N	Indicates that the condition was not present on admission.
U	Indicates that the documentation is insufficient to determine if the condition was present at the time of admission.
I	Signifies exemption from POA reporting. CMS established this code as a workaround to blank reporting on the electronic 4010A1. A list of exempt ICD-9-CM diagnosis codes is available in the <a href="#">ICD-9-CM Official Guidelines for Coding and Reporting</a> .

No changes for FY2010



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## “Never Events” – IPPS and POA Impact Unchanged for FY2010

The CMS IPPS conditions (and their ICD-9-CM codes) include:

Foreign Object retained after surgery (998.4 , 998.7)

Air embolism (999.1)

Delivery of incompatible blood products (999.6)

Catheter-associated urinary tract infection (996.64 and various other urinary tract infection ( if the following appear with 996.64: codes 112.2 (CC), 590.10 (CC), 590.11 (MCC) 590.2 (MCC) , 590.3 (CC), 590.80 (CC), 590.81 (CC), 595.0 (CC), 597.0 (CC), 599.0 (CC) they will act as a MCC/CC, except if POA is “N”)

Pressure Ulcer stages III and IV (707.23, 707.24)

Vascular catheter-associated infection (999.31)

Mediastinitis after CABG (519.2) and one of the following procedure codes: 36.10–36.19

Hospital-acquired Injuries – Fractures (800-829), Dislocations (830-839), Intracranial Injury (850-854), Crushing Injury (925-929), Burns (940-949) Electric Shock 991-994



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## Hospital Acquired Conditions (HACs)

Surgical site infections 996.67 Infection or inflammatory process due to other internal orthopedic device, implant or graft (CC) and 998.59 Other postoperative infection (CC); following certain elective procedures, including certain orthopedic surgeries (81.01-81.08, 81.23-81.24, 81.31-81.38, 81.83, 81.85, and bariatric surgery for obesity

- PrDx 278.01 Morbid Obesity and 2<sup>nd</sup> Dx 998.59 Other Postoperative infection (CC), and procedures 44.38, 44.39 or 44.95

Certain manifestations of poor control of blood sugar levels, primarily diabetic hyperosmolarity 250.20-250.23 (MCC), ketoacidosis 250.10-250.13 (MCC), and hypoglycemic coma 251.0 (CC), secondary diabetes mellitus with hyperosmolarity 249.20-249.21 (MCC)

Deep vein thrombosis or pulmonary embolism (415.11 Iatrogenic pulmonary embolism and infarction (MCC), 415.19 Other pulmonary embolism and thrombosis of deep vessels of lower extremity (CC), following or with total knee replacement and hip replacement procedures (81.51, 81.52, 81.54)


## POA & UB-04 Claim (Screen Shot)

17267	N	3212	U	28731	W	412	C	N	2896	Y	28860	U	5287I	N	6165Q	Y	7336I	N	68													
74	PRINCIPAL PROCEDURE CODE	DATE	a	OTHER PROCEDURE CODE	DATE	b	OTHER PROCEDURE CODE	DATE	c	OTHER PROCEDURE CODE	DATE	d	OTHER PROCEDURE CODE	DATE	e	OTHER PROCEDURE CODE	DATE	75	76 ATTENDING NPI	QUAL	IG	C96188										
																			LAST JOHNSONMD		FIRST JOSEPH W											
																			77 OPERATING NPI		QUAL											
																			LAST		FIRST											
80 REMARKS																			81CC		B3		282N00000X		78 OTHER NPI		QUAL		IG		C96188	
AETNA HMO																			H37		b		B2 S		LAST JOHNSONMD		FIRST JOSEPH W					
P O BOX 14089																					c				79 OTHER NPI		QUAL					
LEXINGTON KY 40512																					d				LAST		FIRST					

## What Happens with HAC and POA = N ...?

For the conditions that have been chosen, if that condition is the only “MCC/CC” on the claim and is POA = “N”, the claim will be paid at the lower weighted DRG. Meaning ... paid as if the MCC/CC was not there

- Example:
  - Patient admitted with acute atrial fibrillation and over 5 days developed a pressure ulcer stage III\* during the hospitalization which is identified by a POA of “N.”
  - The DRG assignment would be MS-DRG 309.
  - Payment for this case would be calculated as if the pressure ulcer was not present \* – therefore, MS-DRG 310.

	<b>Patient ID:</b>			
	<b>Age:</b> 75	<b>Discharge Date:</b> 08/16/2009	<b>Status:</b> SNF (3)	
	<b>Gender:</b> F	<b>Length of Stay:</b> 1	<b>Total Charges:</b> \$0.00	
<b>MS-DRG v26 Not Using HAC Rules</b>				
DRG	469 MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER EXTREMITY W MCC			
MDC	008 DISEASES & DISORDERS OF THE MUSCULOSKELETAL SYSTEM & CONN TISSUE			
Weight	3.2901			
Reimbursement	\$7,522.75			
<b>Diagnosis Code Detail</b>				
<b>Code</b>	<b>Description</b>			
73342	Aseptic necrosis of head and neck of femur			
2851	Acute posthemorrhagic anemia			
70705	Pressure ulcer, buttock			
25000	Diabetes mellitus without complication, type II or unspecified type, not stated as uncontrolled			
78039	Convulsions			
70723	Pressure ulcer stage III			
<b>Procedure Code Detail</b>				
<b>Code</b>	<b>Description</b>			
8151	Total hip replacement			

Pressure ulcer with POA of No  
Note: It's the only MCC  
The stage III & IV will be the MCC in HAC  
FY09, codes 707.23, 707.24

revenueCYCLE  
NORTHERN CALIFORNIA

KAISER PERMANENTE

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## How Will the Reimbursement Be Affected?

### With a MCC & POA Y:

Base rate = \$6000

DRG 469

Wt. 3.2901

Total Reimb = \$19740

### With MCC & POA N:

Base rate = \$6000

DRG 470

Wt. 2.0077

Total Reimb = \$12046

Loss Revenue = \$7693

Let's assume the base rate is \$6000 for this hospital. Patient's LOS = 7 days



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## Documentation and Coding Adjustment – Good News!

**2008 and 2009 Hospitals received a reduction % NOT for 2010!!**

**Prior Years:**

**MS-DRG FY08 -0.6% payment reduction**

**MS-DRG FY09 -0.9% + TOTAL -1.5% for FY09**



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## Federal Register Table 5 – List of MS-DRGs

	A	B	C	D	E	F	G	H	I
	MS-DRG	FY 2010 Final Rule Post-Acute Pay DRG	FY 2010 Final Rule Special Pay DRG	MDC	TYPE	MS-DRG Title	Weight	Geometric mean LOS	Arithmetic mean LOS
2	001	No	No	PRE	SURG	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	24.8548	31.5	43.9
3	002	No	No	PRE	SURG	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	11.7540	16.4	21.2
4	003	Yes	No	PRE	SURG	ECMO OR TRACH W MV 56+ HRS OR PDX EXC FACE, MOUTH & NECK W MAJ O.R.	10.2687	31.6	39.5
5	004	Yes	No	PRE	SURG	TRACH W MV 56+ HRS OR PDX EXC FACE, MOUTH & NECK W/O MAJ O.R.	11.1941	22.9	28.2
6	005	No	No	PRE	SURG	LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	10.1358	14.9	20.3
7	006	No	No	PRE	SURG	LIVER TRANSPLANT W/O MCC	4.7569	8.3	9.2
8	007	No	No	PRE	SURG	LUNG TRANSPLANT	9.4543	15.6	18.6
9	008	No	No	PRE	SURG	SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	5.0615	10.4	12.3
10	009	No	No	PRE	SURG	BONE MARROW TRANSPLANT	6.5419	17.7	21.3
11	010	No	No	PRE	SURG	PANCREAS TRANSPLANT	4.2752	8.9	10.0
12	011	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W MCC	4.7341	12.7	16.3
13	012	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W CC	3.0306	8.8	10.5
14	013	No	No	PRE	SURG	TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W/O CC/MCC	1.8643	5.7	6.9
15	020	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W MCC	8.4392	14.8	18.3
16	021	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W CC	6.2068	12.2	14.4
17	022	No	No	01	SURG	INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W/O CC/MCC	4.3765	7.4	8.9
18	023	No	No	01	SURG	CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W MCC OR CHEMO IMPLANT	4.9401	8.5	12.1
19	024	No	No	01	SURG	CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W/O MCC	3.2566	5.7	8.0
20	025	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W MCC	4.8236	9.4	12.1
21	026	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W CC	2.9421	6.1	7.7
22	027	Yes	No	01	SURG	CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W/O CC/MCC	2.0902	3.1	4.1
23	028	Yes	Yes	01	SURG	SPINAL PROCEDURES W MCC	5.1030	10.2	13.4
24	029	Yes	Yes	01	SURG	SPINAL PROCEDURES W CC OR SPINAL NEUROSTIMULATORS	2.7788	4.8	6.7
25	030	Yes	Yes	01	SURG	SPINAL PROCEDURES W/O CC/MCC	1.6019	2.7	3.5
26	031	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W MCC	4.5341	9.0	13.2
27	032	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W CC	1.9186	3.7	5.5
28	033	Yes	No	01	SURG	VENTRICULAR SHUNT PROCEDURES W/O CC/MCC	1.3331	2.2	2.8
29	034	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W MCC	3.1900	4.4	6.9
30	035	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W CC	2.0165	2.0	2.9
31	036	No	No	01	SURG	CAROTID ARTERY STENT PROCEDURE W/O CC/MCC	1.5744	1.3	1.6
32	037	No	No	01	SURG	EXTRACRANIAL PROCEDURES W MCC	2.9190	5.7	8.3
33	038	No	No	01	SURG	EXTRACRANIAL PROCEDURES W CC	1.4783	2.4	3.4
34	039	No	No	01	SURG	EXTRACRANIAL PROCEDURES W/O CC/MCC	1.0033	1.4	1.7
35	040	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W MCC	3.9518	9.4	12.9
36	041	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W CC OR PERIPH NEUROSTIM	2.1249	5.2	7.0
37	042	Yes	Yes	01	SURG	PERIPHERAL NERVE & OTHER NERV SYST PROC W/O CC/MCC	1.6448	2.4	3.3
38	052	No	No	01	MED	SPINAL DISORDERS & INJURIES W CC/MCC	1.4836	4.5	6.3
39	053	No	No	01	MED	SPINAL DISORDERS & INJURIES W/O CC/MCC	0.8382	3.1	4.0
40	054	Yes	No	01	MED	NERVOUS SYSTEM NEOPLASMS W MCC	1.5637	5.0	6.8
41	055	Yes	No	01	MED	NERVOUS SYSTEM NEOPLASMS W/O MCC	1.0613	3.6	4.9
42	056	Yes	No	01	MED	DEGENERATIVE NERVOUS SYSTEM DISORDERS W MCC	1.6952	5.7	7.7

## FY2010 Modifications to MS-DRGs

### MDC 5 (Diseases and Disorders of the Circulatory System):

Intraoperative Fluorescence Vascular Angiography (IFVA) procedure code 88.59 – analysis conducted ... no change for FY2010

### MDC 8 (Diseases and Disorders of the Musculoskeletal System and Connective Tissue): Infected Hip and Knee Replacements

CMS did examine hip replacement data and cases identified by procedure code 80.05 in MS-DRGs 480, 481, and 482, and knee replacement cases identified by procedure code 80.06 in MS-DRGs 495, 496, and 497 using the FY 2008 MedPAR file

For FY2010 procedure codes 80.05 and 80.06 will be moved from their current assignments in MS-DRGs 480, 481, and 482 and 495, 496, and 497, and assign them to MS-DRGs 463, 464, and 465.

## FY2010 Modifications to MS-DRGs – con't

Revise code title of procedure code 80.05 to  
"Arthrotomy for removal of prosthesis without  
replacement, hip"

Revise the title of procedure code 80.06 to read  
"Arthrotomy for removal of prosthesis without  
replacement, knee"

## Additions to and Deletions from the CC Exclusion List

### **Excluded secondary diagnoses bases on Five principles:**

- Chronic and acute manifestations of the same condition should not be considered CCs for one another.
- Specific and nonspecific (that is, not otherwise specified (NOS)) diagnosis codes for the same condition should not be considered CCs for one another.
- Codes for the same condition that cannot coexist, such as partial/total, unilateral/bilateral, obstructed/unobstructed, and benign/malignant, should not be considered CCs for one another.
- Codes for the same condition in anatomically proximal sites should not be considered CCs for one another.
- Closely related conditions should not be considered CCs for one another

## Additions to MCCs

The following is the MCC list additions for FY2010:

- 277.88, Tumor lysis syndrome
- 670.22, Puerperal sepsis, delivered, with mention of postpartum complication
- 670.24, Puerperal sepsis, postpartum condition or complication
- 670.32, Puerperal septic thrombophlebitis, delivered, with mention of postpartum complication
- 670.34, Puerperal septic thrombophlebitis, postpartum condition or complication
- 670.80, Other major puerperal infection, unspecified as to episode of care or not applicable
- 670.82, Other major puerperal infection, delivered, with mention of postpartum complication
- 670.84, Other major puerperal infection, postpartum condition or complication
- 756.72, Omphalocele
- 756.73, Gastroschisis
- 768.73, Severe hypoxic-ischemic encephalopathy
- 779.32, Bilious vomiting in newborn



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## MCC List – Table 6I.1

SUMMARY OF ADDITIONS TO THE MS-DRG MCC LIST--TABLE 6I.1

Code	Description
277.88	Tumor lysis syndrome
670.22	Puerperal sepsis, delivered, with mention of postpartum complication
670.24	Puerperal sepsis, postpartum condition or complication
670.32	Puerperal septic thrombophlebitis, delivered, with mention of postpartum complication
670.34	Puerperal septic thrombophlebitis, postpartum condition or complication
670.80	Other major puerperal infection, unspecified as to episode of care or not applicable
670.82	Other major puerperal infection, delivered, with mention of postpartum complication
670.84	Other major puerperal infection, postpartum condition or complication
756.72	Omphalocele
756.73	Gastroschisis

Code	Description
768.73	Severe hypoxic-ischemic encephalopathy
779.32	Bilious vomiting in newborn

SUMMARY OF DELETIONS FROM THE MS-DRG MCC LIST--TABLE 6I.2

Code	Description
768.7	Hypoxic-ischemic encephalopathy (HIE)



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## Additions to the CCs

### Some CC additions include:

**Chronic pulmonary embolism (416.2) – new code**

**Chronic venous embolism and thrombosis of upper and lower extremities: axillary, subclavian, jugular veins, etc. (453.5x, 453.6x, and 453.7x)**

**Acute venous embolism and thrombosis of upper and lower extremities: axillary, subclavian, jugular veins, etc. (453.8x)**

**Puerperal endometritis (670.1x)**

**Hypoxic-ischemic encephalopathy, unspecified (768.70)**

**Mild hypoxic-ischemic encephalopathy (768.71)**

**Moderate hypoxic-ischemic encephalopathy (768.72)**



## SUMMARY OF ADDITIONS TO THE MS-DRG CC LIST--TABLE 6J.1

209.71 Secondary neuroendocrine tumor of distant lymph nodes

209.72 Secondary neuroendocrine tumor of liver

209.73 Secondary neuroendocrine tumor of bone

209.74 Secondary neuroendocrine tumor of peritoneum

209.79 Secondary neuroendocrine tumor of other sites

416.2 Chronic pulmonary embolism

453.50 Chronic venous embolism and thrombosis of unspecified deep vessels of lower extremity

453.51 Chronic venous embolism and thrombosis of deep vessels of proximal lower extremity

453.52 Chronic venous embolism and thrombosis of deep vessels of distal lower extremity

453.6 Venous embolism and thrombosis of superficial vessels of lower extremity

453.71 Chronic venous embolism and thrombosis of superficial veins of upper extremity

453.72 Chronic venous embolism and thrombosis of deep veins of upper extremity

453.73 Chronic venous embolism and thrombosis of upper extremity, unspecified

453.74 Chronic venous embolism and thrombosis axillary veins

453.75 Chronic venous embolism and thrombosis of subclavian veins

453.76 Chronic venous embolism and thrombosis of internal jugular veins

453.77 Chronic venous embolism and thrombosis of other thoracic veins

453.79 Chronic venous embolism and thrombosis of other specified veins



453.81 Acute venous embolism and thrombosis of superficial veins of upper extremity  
453.82 Acute venous embolism and thrombosis of deep veins of upper extremity  
453.83 Acute venous embolism and thrombosis of upper extremity, unspecified  
453.84 Acute venous embolism and thrombosis of axillary veins  
453.85 Acute venous embolism and thrombosis of subclavian veins  
453.86 Acute venous embolism and thrombosis of internal jugular veins  
453.87 Acute venous embolism and thrombosis of other thoracic veins  
453.89 Acute venous embolism and thrombosis of other specified veins  
569.71 Pouchitis  
569.79 Other complications of intestinal pouch  
670.10 Puerperal endometritis, unspecified as to episode of care or not applicable  
670.12 Puerperal endometritis, delivered, with mention of postpartum complication  
670.14 Puerperal endometritis, postpartum condition or complication  
670.20 Puerperal sepsis, unspecified as to episode of care or not applicable  
670.30 Puerperal septic thrombophlebitis, unspecified as to episode of care or not applicable  
768.70 Hypoxic-ischemic encephalopathy, unspecified  
768.71 Mild hypoxic-ischemic encephalopathy  
768.72 Moderate hypoxic-ischemic encephalopathy  
813.46 Torus fracture of ulna (alone)  
813.47 Torus fracture of radius and ulna

## SUMMARY OF DELETIONS FROM THE MS-DRG CC LIST--TABLE 6J.2

### Code Description

453.8 Other venous embolism and thrombosis of other  
specified veins

## Review of Procedure Codes in MS DRGs 981 through 983; 984 through 986; and 987 through 989

### Prostatic Procedures – No changes in FY2010



## MS-DRG Volumes

3	MS-DRG	Number of Discharges	Arithmetic Mean LOS	10th Percentile	25th Percentile	50th Percentile	75th Percentile	90th Percentile
4	001	865	43.8590	12	19	31	56	91
5	002	233	21.1803	8	10	15	25	42
6	003	23,135	38.4860	15	22	32	46	66
7	004	21,879	28.2321	11	16	23	34	48
8	005	934	20.3704	7	9	14	24	42
9	006	380	9.1658	5	6	8	10	14
10	007	406	18.5616	8	10	15	21	34
11	008	511	12.2896	6	7	9	13	22
12	009	1,568	21.2736	8	16	20	24	34
13	010	141	9.9929	5	6	8	11	17
14	011	1,384	16.3129	6	8	12	20	29
15	012	1,992	10.5216	4	6	9	13	19
16	013	1,063	6.8993	3	4	6	8	11
17	020	1,047	18.2722	6	11	17	23	31
18	021	487	14.4004	5	9	14	18	23
19	022	156	8.9295	3	6	9	12	14
20	023	4,273	12.1311	2	5	10	16	24
21	024	2,066	8.0445	1	3	7	11	16
22	025	10,198	12.1480	4	6	10	16	23
23	026	11,489	7.7418	2	4	7	10	14
24	027	12,455	4.1104	1	2	3	5	8
25	028	1,737	13.4220	4	7	11	17	26
26	029	3,431	6.6706	1	3	5	9	14
27	030	3,394	3.5457	1	1	3	5	7
28	031	1,089	13.1938	3	5	10	17	28
29	032	2,750	5.5265	1	2	4	7	12
30	033	3,266	2.8472	1	1	2	3	5
31	034	847	6.9008	1	2	5	9	15
32	035	2,396	2.9253	1	1	2	4	7
33	036	5,909	1.5727	1	1	1	1	3
34	037	5,357	8.2938	2	3	6	11	17
35	038	14,291	3.4481	1	1	2	4	8

# Relative Weight Table FY10

1	A MS-DRG	B FY 2010 Final Rate		C FY 2010 Final Rate		D	E	F	G	H	I
		Post-Acute	Special	Special	Pay DRG						
2	001	No	No	PRE	SURG			HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	24.8548	31.5	43.9
3	002	No	No	PRE	SURG			HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	11.7540	16.4	21.2
4	003	Yes	No	PRE	SURG			ECCO OR TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W MAJ O.R.	18.2667	31.6	38.5
5	004	Yes	No	PRE	SURG			TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W/O MAJ O.R.	11.1941	22.9	28.2
6	005	No	No	PRE	SURG			LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	10.1358	14.9	20.3
7	006	No	No	PRE	SURG			LIVER TRANSPLANT W/O MCC	4.7569	8.3	9.2
8	007	No	No	PRE	SURG			LUNG TRANSPLANT	9.4543	15.6	18.6
9	008	No	No	PRE	SURG			SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	5.0615	10.4	12.3
10	009	No	No	PRE	SURG			BONE MARROW TRANSPLANT	6.5419	17.7	21.3
11	010	No	No	PRE	SURG			PANCREAS TRANSPLANT	4.2752	8.9	10.0
12	011	No	No	PRE	SURG			TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W MCC	4.7341	12.7	16.3
13	012	No	No	PRE	SURG			TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W CC	3.0306	8.8	10.5
14	013	No	No	PRE	SURG			TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W/O CC/MCC	1.8643	5.7	6.9
15	020	No	No	01	SURG			INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W MCC	8.4392	14.8	18.3
16	021	No	No	01	SURG			INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W CC	6.2068	12.2	14.4
17	022	No	No	01	SURG			INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W/O CC/MCC	4.3755	7.4	8.5
18	023	No	No	01	SURG			CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W MCC OR CHEMO IMPLANT	4.9401	8.5	12.1
19	024	No	No	01	SURG			CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W/O MCC	3.2566	5.7	8.0
20	025	Yes	No	01	SURG			CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W MCC	4.8236	9.4	12.1
21	026	Yes	No	01	SURG			CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W CC	2.9421	6.1	7.7
22	027	Yes	No	01	SURG			CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W/O CC/MCC	2.0502	3.1	4.1
23	028	Yes	Yes	01	SURG			SPINAL PROCEDURES W MCC	5.8090	10.2	13.4
24	029	Yes	Yes	01	SURG			SPINAL PROCEDURES W CC OR SPINAL NEUROSTIMULATORS	2.7768	4.8	6.7
25	030	Yes	Yes	01	SURG			SPINAL PROCEDURES W/O CC/MCC	1.6019	2.7	3.5
26	031	Yes	No	01	SURG			VENTRICULAR SHUNT PROCEDURES W MCC	4.5341	9.0	13.2
27	032	Yes	No	01	SURG			VENTRICULAR SHUNT PROCEDURES W CC	1.9186	3.7	5.5
28	033	Yes	No	01	SURG			VENTRICULAR SHUNT PROCEDURES W/O CC/MCC	1.3331	2.2	2.8
29	034	No	No	01	SURG			CAROTID ARTERY STENT PROCEDURE W MCC	3.9190	4.4	6.9
30	035	No	No	01	SURG			CAROTID ARTERY STENT PROCEDURE W CC	2.0165	2.0	2.9
31	036	No	No	01	SURG			CAROTID ARTERY STENT PROCEDURE W/O CC/MCC	1.5744	1.3	1.6
32	037	No	No	01	SURG			EXTRACRANIAL PROCEDURES W MCC	2.9190	5.7	8.3
33	038	No	No	01	SURG			EXTRACRANIAL PROCEDURES W CC	1.4783	2.4	3.4
34	039	No	No	01	SURG			EXTRACRANIAL PROCEDURES W/O CC/MCC	1.0033	1.4	1.7
35	040	Yes	Yes	01	SURG			PERIPHERAL NERVE & OTHER NERV SYST PROC W MCC	3.9518	9.4	12.9
36	041	Yes	Yes	01	SURG			PERIPHERAL NERVE & OTHER NERV SYST PROC W CC OR PERIPH NEUROSTIM	2.1249	5.2	7.0
37	042	Yes	Yes	01	SURG			PERIPHERAL NERVE & OTHER NERV SYST PROC W/O CC/MCC	1.6448	2.4	3.3
38	052	No	No	01	MED			SPINAL DISORDERS & INJURIES W CC/MCC	1.4836	4.5	6.3
39	053	No	No	01	MED			SPINAL DISORDERS & INJURIES W/O CC/MCC	0.8382	3.1	4.0
40	054	Yes	No	01	MED			NERVOUS SYSTEM NEOPLASMS W MCC	1.5637	5.0	6.8
41	055	Yes	No	01	MED			NERVOUS SYSTEM NEOPLASMS W CC	1.0613	3.6	4.9
42	056	Yes	No	01	MED			DEGENERATIVE NERVOUS SYSTEM DISORDERS W MCC	1.6952	5.7	7.7
43	057	Yes	No	01	MED			DEGENERATIVE NERVOUS SYSTEM DISORDERS W CC	0.8028	2.6	3.6

## Medicare Inpatient Comparison: FY 2010 vs. 2009 DRG Relative Weights (RW), Sorted by MS-DRG

DRG Title	MCC	Type	2010 RW	2009 RW	Diff	2010 GMLoS	2009 GMLoS	Diff	2010 AMLoS	2009 AMLoS	Diff
001 HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	PRE	SURG	24.8548	23.6791	1.1847	31.5	29.6	1.9	43.9	41.1	2.8
002 HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	PRE	SURG	11.7540	12.8157	-1.0617	16.4	18.7	-2.3	21.2	25.3	-4.1
003 ECCO OR TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W MAJ O.R.	PRE	SURG	18.2667	18.3694	-0.1027	31.6	32.6	-1.0	38.5	39.8	-1.3
004 TRACH W MV 96+ HRS OR PDX EXC FACE, MOUTH & NECK W/O MAJ O.R.	PRE	SURG	11.1941	11.1366	0.0575	22.9	23.5	-0.6	28.2	28.9	-0.7
005 LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	PRE	SURG	10.1358	10.9180	-0.6622	14.9	16.1	-1.2	20.3	21.5	-1.2
006 LIVER TRANSPLANT W/O MCC	PRE	SURG	4.7569	4.8839	-0.1270	8.3	9.0	-0.7	9.2	10.5	-1.3
007 LUNG TRANSPLANT	PRE	SURG	9.4543	9.5990	-0.1455	15.6	15.8	-0.2	18.6	19.6	-1.0
008 SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	PRE	SURG	5.0615	4.8811	0.1804	10.4	10.1	0.3	12.3	11.9	0.4
009 BONE MARROW TRANSPLANT	PRE	SURG	6.5419	6.6411	-0.0992	17.7	18.3	-0.6	21.3	22.0	-0.7
010 PANCREAS TRANSPLANT	PRE	SURG	4.2752	3.7246	0.5506	8.9	9.1	-0.2	10.0	10.8	-0.8
011 TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W MCC	PRE	SURG	4.7341	4.8834	-0.1493	12.7	13.1	-0.4	16.3	16.7	-0.4
012 TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W CC	PRE	SURG	3.0306	3.0527	-0.0221	8.8	8.8	0.0	10.5	10.7	-0.2
013 TRACHEOSTOMY FOR FACE, MOUTH & NECK DIAGNOSES W/O CC/MCC	PRE	SURG	1.8643	1.8966	-0.0323	5.7	5.9	-0.2	6.9	6.9	0.0
020 INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W MCC	01	SURG	8.4392	8.2920	0.1472	14.8	14.8	0.0	18.3	18.3	0.0
021 INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W CC	01	SURG	6.2068	6.3596	-0.1528	12.2	13.7	-1.5	14.4	15.5	-1.1
022 INTRACRANIAL VASCULAR PROCEDURES W PDX HEMORRHAGE W/O CC/MCC	01	SURG	4.3755	4.1335	0.2220	7.4	7.6	-0.2	8.9	9.3	-0.4
023 CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W MCC OR CHEMO IMPLANT	01	SURG	4.9401	5.0584	-0.1183	8.5	8.9	-0.4	12.1	12.7	-0.6
024 CRANIO W MAJOR DEV IMPL/ACUTE COMPLEX CNS PDX W/O MCC	01	SURG	3.2566	3.4597	-0.2031	5.7	6.2	-0.5	8.0	9.0	-1.0
025 CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W MCC	01	SURG	4.8236	5.0109	-0.1873	9.4	9.9	-0.5	12.1	13.0	-0.9
026 CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W CC	01	SURG	2.9421	3.0058	-0.0637	6.1	6.4	-0.3	7.7	8.2	-0.5
027 CRANIOTOMY & ENDOVASCULAR INTRACRANIAL PROCEDURES W/O CC/MCC	01	SURG	2.0502	2.1029	-0.0527	3.1	3.5	-0.4	4.1	4.5	-0.4
028 SPINAL PROCEDURES W MCC	01	SURG	5.8090	5.1919	0.6171	10.2	10.7	-0.5	13.4	14.3	-0.9
029 SPINAL PROCEDURES W CC OR SPINAL NEUROSTIMULATORS	01	SURG	2.7768	2.7943	-0.0175	4.8	5.1	-0.3	6.7	7.1	-0.4
030 SPINAL PROCEDURES W/O CC/MCC	01	SURG	1.6019	1.5385	0.0634	2.7	2.8	-0.1	3.5	3.7	-0.2
031 VENTRICULAR SHUNT PROCEDURES W MCC	01	SURG	4.5341	4.3861	0.1480	9.0	9.3	-0.3	13.2	13.1	0.1
032 VENTRICULAR SHUNT PROCEDURES W CC	01	SURG	1.9186	1.9518	-0.0332	3.7	4.0	-0.3	5.5	6.0	-0.5
033 VENTRICULAR SHUNT PROCEDURES W/O CC/MCC	01	SURG	1.3331	1.3289	0.0042	2.2	2.3	-0.1	2.8	3.0	-0.2
034 CAROTID ARTERY STENT PROCEDURE W MCC	01	SURG	3.9190	3.2228	0.6962	4.4	4.6	-0.2	6.9	7.3	-0.4
035 CAROTID ARTERY STENT PROCEDURE W CC	01	SURG	2.0165	2.0227	-0.0062	2.0	2.1	-0.1	2.9	3.0	-0.4
036 CAROTID ARTERY STENT PROCEDURE W/O CC/MCC	01	SURG	1.5744	1.5673	0.0071	1.3	1.3	0.0	1.6	1.6	0.0
037 EXTRACRANIAL PROCEDURES W MCC	01	SURG	2.9190	3.0263	-0.1073	5.7	5.9	-0.2	8.3	8.6	-0.3
038 EXTRACRANIAL PROCEDURES W CC	01	SURG	1.4783	1.5525	-0.0742	2.4	2.5	-0.1	3.4	3.8	-0.4
039 EXTRACRANIAL PROCEDURES W/O CC/MCC	01	SURG	1.0033	1.0005	0.0028	1.4	1.5	-0.1	1.7	1.8	-0.1
040 PERIPHERAL NERVE & OTHER NERV SYST PROC W MCC	01	SURG	3.9518	3.9645	-0.0127	9.4	9.7	-0.3	12.9	13.3	-0.4
041 PERIPHERAL NERVE & OTHER NERV SYST PROC W CC OR PERIPH NEUROSTIM	01	SURG	2.1249	2.1518	-0.0269	5.2	5.3	-0.1	7.0	7.2	-0.2
042 PERIPHERAL NERVE & OTHER NERV SYST PROC W/O CC/MCC	01	SURG	1.6448	1.6759	-0.0311	2.4	2.5	-0.1	3.3	3.6	-0.3
052 SPINAL DISORDERS & INJURIES W CC/MCC	01	MED	1.4836	1.6216	-0.1380	4.5	4.8	-0.3	6.3	6.7	-0.4
053 SPINAL DISORDERS & INJURIES W/O CC/MCC	01	MED	0.8382	0.8669	-0.0287	3.1	3.3	-0.2	4.0	4.0	0.0
054 NERVOUS SYSTEM NEOPLASMS W MCC	01	MED	1.5637	1.5868	-0.0231	5.0	5.2	-0.2	6.8	7.0	-0.2
055 NERVOUS SYSTEM NEOPLASMS W CC	01	MED	1.0613	1.0828	-0.0215	3.6	3.8	-0.2	4.9	5.1	-0.2
056 DEGENERATIVE NERVOUS SYSTEM DISORDERS W MCC	01	MED	1.6952	1.6349	0.0603	5.7	5.7	0.0	7.7	7.8	-0.1
057 DEGENERATIVE NERVOUS SYSTEM DISORDERS W CC	01	MED	0.8028	0.8026	0.0002	3.9	3.9	0.0	5.0	5.0	0.0
058 MULTIPLE SCLEROSIS & CEREBELLAR ATAXIA W MCC	01	MED	1.5512	1.5796	-0.0194	5.8	5.7	0.1	7.8	7.7	0.1
059 MULTIPLE SCLEROSIS & CEREBELLAR ATAXIA W CC	01	MED	0.9591	0.9444	0.0147	4.2	4.2	0.0	5.1	5.1	0.0
060 MULTIPLE SCLEROSIS & CEREBELLAR ATAXIA W/O CC/MCC	01	MED	0.7083	0.6994	0.0089	3.2	3.4	-0.2	3.8	4.0	-0.2
061 ACUTE ISCHEMIC STROKE W USE OF THROMBOLYTIC AGENT W MCC	01	MED	2.9168	2.8717	0.0451	6.5	6.8	-0.3	8.7	8.9	-0.2
062 ACUTE ISCHEMIC STROKE W USE OF THROMBOLYTIC AGENT W CC	01	MED	1.9290	1.9537	-0.0247	5.0	5.3	-0.3	5.9	6.3	-0.4
063 ACUTE ISCHEMIC STROKE W USE OF THROMBOLYTIC AGENT W/O CC/MCC	01	MED	1.5187	1.5143	0.0044	3.6	3.9	-0.3	4.2	4.5	-0.3

## FY2010 Heart Failure MS-DRGs

MS-DRG	Title FY2010	FY2010 Payment Avg. Projection	FY09 Payment Avg.	Change
291	Heart Failure & Shock w/MCC RW 1.4609 LOS 5.0	\$8765	\$8760	\$+ 5.
292	Heart Failure & Shock w/CC RW 0.9749 LOS 3.9	\$5849	\$6041	\$- 192.
293	Heart Failure & Shock w/o CC/MCC 0.6940 LOS 2.9	\$4164	\$4332	\$- 168.

(Hospital base rate of \$6000)



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## FY2010 (Simple) Pneumonia MS-DRG

MS-DRG	Title FY2010	FY2010 Payment Avg. Projection	FY09 Payment Avg.	Change
193	Simple Pneumonia W MCC 1.4378 LOS 5.3	\$8626	\$8596	\$+ 30.
194	Simple Pneumonia w/CC RW 0.9976 LOS 4.3	\$5985	\$6033	\$- 48.
195	Simple Pneumonia w/o CC/MCC 0.7095 LOS 3.3	\$4257	\$4389	\$ - 321.

(Hospital base rate of \$6000)



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## Major Complication/Comorbidity/CC List



## What Should Hospital HIM Coding Professionals and Clinical Documentation Improvement Specialists Do Now and Ongoing??

## Clinical Knowledge is Vital for Capturing Severity

**Coding competency includes having clinical knowledge in anatomy, physiology, pharmacology and disease process**

**Obtain education and resources**

**But now, it's even greater for inpatient coding...  
(prepare for ICD-10 also)**

**Educate and partner with your Medical Staff regarding pathogenesis of disease, etiology of symptoms, specific terminology and lateralization**



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## **HIM Coding Action Steps - Accuracy, Documentation, CMI, Audit and CDI**

**Recognize that core concepts remain the same:**

- Track CMI monthly, look for changes
- Accurate and Complete Coding
  - UHDDS Definition to support code assignment
- Physician Documentation is key
- Coding audits
- Concurrent documentation improvement program



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## Hospital HIM Coding & Clinical Documentation Improvement Action

### Recommended action steps

- Run facility secondary diagnosis volume data
- Review high volume diagnoses
- Understand impact of proposed MS-DRGs
- Identify opportunities for improvement
- Communicate with case management...
  - Weekly or biweekly rounds together
- ...and medical staff

## IPP Final Rule Key Points...

**The IPPS final rule includes a market-basket update of 2.1% for those hospitals that submit data on quality measures; hospitals not submitting data would receive a 0.1% update.**

**The final rule did not implement a 1.9% reduction for the effect of coding or classification changes.**

**This final rule represents an increase of \$2.2 billion in payments to hospitals in FY 2010.**

## Summary

**Regulations require healthcare providers to capture all clinical data with new emphasis on complication and “never events”**

**Clinical documentation is at the center**

- Physician awareness and education

**Linkage of documentation to the coding and payment systems continues**

**There is a linkage to quality measures and scorecards of performance from documentation and coding**

**Coding rules and guidelines**



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## Final Rule in the Federal Register

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 412, 413, 415, 485, and 489

[CMS-1406-F and IFC; CMS-1493-F; CMS-1337-F]

RIN 0938-AP33; RIN 0938-AP39; RIN 0938-AP76

Medicare Program; Changes to the Hospital Inpatient Prospective Payment

Systems for Acute Care Hospitals and Fiscal Year 2010 Rates; and Changes to the

Long-Term Care Hospital Prospective Payment System and Rate Years 2010 and

2009 Rates

AGENCY: Centers for Medicare and Medicaid Services (CMS), HHS.

ACTION: Final rules and interim final rule with comment period.

SUMMARY: We are revising the Medicare hospital inpatient prospective payment

systems (IPPS) for operating and capital-related costs of acute care hospitals to

implement changes arising from our continuing experience with these systems, and to

implement certain provisions made by the TMA, Abstinence Education, and QI Program

Extension Act of 2007, the Medicare Improvements for Patients and Providers Act of

2008, and the American Recovery and Reinvestment Act of 2009. In addition, in the

Addendum to this final rule, we describe the changes to the amounts and factors used to



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**Questions?**



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*Thank you!*

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## References/Resources

**FY2010 IPPS Proposed Rule**

**FY2010 IPPS Final Rule**

[http://www.cms.hhs.gov/AcuteInpatientPPS/01\\_overview.asp](http://www.cms.hhs.gov/AcuteInpatientPPS/01_overview.asp).

**DRG Expert 2009 – Ingenix**

**Official ICD-9-CM Coding and Reporting Guidelines, effective  
10/1/08**

**CMS Fact Sheet: CMS Improves Patient Safety for Medicare and  
Medicaid by Addressing Never Events, August 4, 2008**

**CMS Fact Sheet: Fiscal Year 2009 Quality Measure Reporting for  
2010 Payment Update**

