

# MS-DRG NEWS

## Administrative Consultant Service, LLC.

Effective  
10/01/09

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### Reporting Secondary Diagnoses that Impact MS-DRG Payment

The documentation of a **condition that qualifies** as a complication or comorbidity will substantially increase payment for the average hospital. These conditions also establish severity of illness and result in accurate outcomes data. Under the CMS severity-adjusted DRG system that became effective 10/1/07, reporting of secondary diagnoses has an even greater significance as certain conditions are designated as major CCs with substantial impact on reimbursement and risk adjustment. Most diagnoses that are classified as “nonspecified” no longer impact reimbursement.

Secondary diagnoses that should be reported are “additional conditions that effect the patient care in terms of:

- » *clinical evaluation; or*
- » *therapeutic treatment; or*
- » *diagnostic procedures; or*
- » *extended length of hospital stay; or*
- » *increased nursing care and/or monitoring.”*

Coexisting conditions should also be reported when they impact the use or consideration of alternative measures in the treatment of the principal diagnosis. Not all additional diagnoses that meet the criteria for reporting will currently qualify for the extra payment, however. For example, hypertension, diabetes, chronic ischemic heart disease, arthritis, etc. do not qualify for extra payment when listed as secondary diagnoses. These conditions can impact severity adjustment and are important for reporting accuracy.

“A joint effort between the healthcare provider and the coder is essential to achieve complete and accurate documentation, code assignment, and reporting of diagnoses and procedures... The importance of consistent, complete documentation in the medical record... cannot be overemphasized.” *ICD-9-CM Official Guidelines for Coding and Reporting.*



# The Impact of Reporting Accuracy on Hospital Reimbursement

Specificity of principal and secondary diagnoses is imperative to reimbursement accuracy.

## Example #1:

Principal Dx: Pneumonia

Secondary Dx: CHF

**MS-DRG 195 Simple Pneumonia w/o CC/MCC**

**\$3,902**

## Example #2:

Principal Dx: Aspiration Pneumonia

Secondary Dx: CHF

**MS-DRG 179 Complex Pneumonia w/o CC/MCC**

**\$5,548**

**+ \$ 1,646**

## Example #3:

Principal Dx: Aspiration Pneumonia

Secondary Dx: Systolic Heart Failure

**MS-DRG 178 Complex Pneumonia w CC**

**\$8,173**

**+ \$ 2,625**

## Example #4:

Principal Dx: Aspiration Pneumonia

Secondary Dx: Acute on Chronic Systolic Heart Failure

**MS-DRG 177 Complex Pneumonia w MCC**

**\$11,266**

**+ \$ 3,093**

*\*Using hospital-specific rate of \$5,500.*

## Potentially Overlooked Secondary Diagnoses

- Acidosis / Alkalosis
- Alzheimer's Dementia with Behavioral Disturbance
- Atelectasis
- Attention to Gastrostomy (Repositioning, Cleansing, Catheter Replacement, etc.)
- Body Mass Index (<19 or ≥ 40)
- Cachexia
- Dementia (type specified such as senile, vascular, etc.) with Depression
- Encephalopathy
- Exacerbation of COPD or Asthma
- Hemiparesis
- Malnutrition (specify stage)
- Stage of Pressure Ulcer (Stage III and IV are MCCs)

**Complete Documentation is Critical**

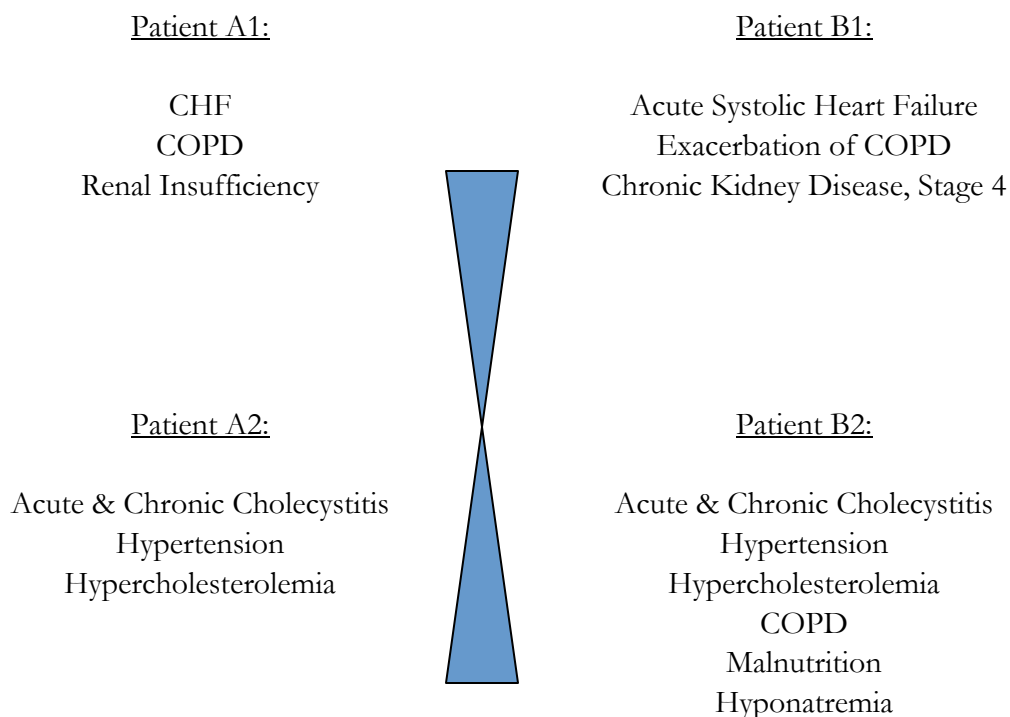
It only takes **ONE** MCC/CC condition to impact MS- DRG assignment and reimbursement, however additional secondary diagnoses may impact risk adjustment.

## Secondary Diagnoses Can Impact *More Than Payment*

Secondary diagnoses are important to assure providers:

- ✓ are appropriately reimbursed by Medicare;
- ✓ get credit for the **severity of illness** of their patients;
- ✓ demonstrate an accurate portrayal of the **risk of mortality** of their patients;
- ✓ are correctly rated in public report cards;
- ✓ adequately establish the appropriate level of care as determined by comorbid conditions along with the patient's principal diagnosis;
- ✓ receive accurate reimbursement rates for Medicare Advantage through justification of appropriate HCCs (hierarchical condition codes).

**"B" patients have a higher severity of illness and are at greater risk of death!**



“The statistical process of accounting for differences in patients’ sickness before they were admitted to the hospital is called risk-adjustment. This statistical process aims to ‘level the playing field’ by accounting for health risks that patients have before they enter the hospital.”

[www.hospitalcompare.hhs.gov](http://www.hospitalcompare.hhs.gov)

## Major Complications / Comorbid Conditions (MCC)

### Cardiovascular / Cerebrovascular:

CHF – Acute (or Acute on Chronic); Systolic or Diastolic, or Combined  
Cor Pulmonale, Acute  
CVA / Stroke / Cerebral Infarct or Hemorrhage  
Cerebral Edema  
Coma  
Endocarditis / Myocarditis, Acute  
MI, Acute  
Pulmonary Embolism, Acute

### Respiratory & Infectious Disease:

Aspiration Bronchitis, Aspiration Pneumonia  
HIV Disease  
Peritonitis  
Pneumonia, Including Viral  
Respiratory Failure, Acute  
Respiratory Insufficiency, Acute Postoperative  
Sepsis, Severe Sepsis, Septic Shock

### **MCC if D/C Alive:**

Cardiac Arrest  
Cardiogenic Shock  
Respiratory Arrest  
Ventricular Fibrillation  
Other Shock w/o Trauma

### Other MCC's:

Aplastic Anemia due to drugs / chemo, infection, radiation  
Diabetic Ketoacidosis, Diabetes w/ Hyperosmolarity or Other Coma  
Encephalopathy – Metabolic, Toxic, Other or Unspecified  
End Stage Renal Disease  
GI Disorder w/ Hemorrhage (Gastritis, Duodenitis, Diverticular Disease)  
GI Ulcer w/ Perforation, Hemorrhage or Obstruction  
Ischemic Colitis, Acute  
Kidney Injury, Acute (Nontraumatic)  
Major Injuries  
Malnutrition, Severe  
Pancreatitis, Acute  
Peritonitis  
Pressure Ulcer, Stage III or IV  
Quadriplegia, Functional Quadriplegia  
Renal Failure, Acute  
SIRS due to Noninfectious Process w/ Acute Organ Dysfunction  
Volvulus

*Document specifically to get  
credit for severity of illness.*

*For a complete list of MCC & CC codes, see [www.cms.hhs.gov](http://www.cms.hhs.gov) for attachments to the FY10 IPPS Final Rule, table 6-I and 6-J.*

# Complications / Comorbid Conditions (CC)

## Cardiovascular & Vascular

Acute Myocardial Ischemia without MI  
Angina, Unstable  
Block – Complete AV, Mobitz II,  
Trifascicular, BBBB  
Atrial Flutter  
CAD of Bypass Graft  
CHF - Chronic or Unspecified,  
Systolic or Diastolic  
Cardiomyopathy (*except ischemic*)  
Heart Failure, Left  
Hypertension, Accelerated or Malignant  
Hypertensive Encephalopathy  
In-Stent Stenosis (Cardiac Stent)  
Pleural Effusion  
Post MI Syndrome  
Tachycardia - Paroxysmal Supraventricular  
Tachycardia - Paroxysmal Ventricular  
*Unless Non-Sustained*  
Thrombophlebitis & Venous Thrombosis (*specify  
acute or chronic*)

## Behavioral & Cerebrovascular

Alzheimer's Dementia w/ Behavioral  
Disturbance  
Aphasia (*not post-stroke*)  
Delirium, Drug-Induced  
Dementia w/ Delirium, Depression or  
Delusion (*presenile, senile or vascular*)  
Encephalopathy, Alcoholic  
Hallucinations (not visual)  
Hemiplegia  
Normal Pressure Hydrocephalus  
Paraplegia  
Schizophrenia (*except unspecified*)  
Suicidal Ideation  
TIA  
Vertebrobasilar Insufficiency  
Withdrawal – Alcohol or Drug

## Hematologic & Oncology

Acute Blood Loss Anemia; Postop Anemia due  
to Blood Loss  
Aplastic Anemia  
Lymphoma & Leukemia (*also in remission*)  
Malignant Neoplasm  
(*Most Sites – not Breast or Prostate*)  
Pancytopenia

## Gastrointestinal

Ascites  
Attention to Gastrostomy  
C. Diff Enteritis  
Cholelithiasis w/ Cholecystitis  
Colitis-Ischemic or Ulcerative  
Colitis, Enteritis or Gastroenteritis of  
Presumed Infectious Origin  
Colostomy / Enterostomy Complications  
Crohn's Disease  
Diverticulitis  
Esophagitis, Acute  
Gastroenteritis – Toxic or due to Radiation  
GI Bleed; Melena; Hematemesis; Hemoptysis  
Hernia w/ Obstruction  
Ileus / Fecal Impaction  
Intestinal Infections – Viral, Bacterial,  
E. Coli, Staph, Pseudomonas, etc.  
Intestinal Malabsorption  
Jaundice  
Pancreatitis, Chronic  
Ulcer, Acute – Gastric, Duodenal, Peptic

## Nephrology & Genitourinary

Calculus of Ureter or Kidney  
Chronic Kidney Disease, Stage 4 or 5  
Hydronephrosis / Hydroureter  
Nephrotic Syndrome  
Polycystic Kidney  
Pyelonephritis, UTI

## Respiratory

Asthma Exacerbation  
Atelectasis  
COPD w/ Acute Exacerbation  
Hemoptysis  
Respiratory Distress, Acute  
Respiratory Failure, Chronic  
Respirator Weaning or Dependence

## Other

Bacteremia  
Complication / Infection of Device, Implant, Graft  
SIRS due to Noninfectious Process  
Thrush  
Transplant Status – *most organs*

