REPORTING SECONDARY DIAGNOSES THAT IMPACT MS-DRG PAYMENT

What Qualifies?

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, secondary diagnoses may be designated as major CCs with substantial impact on reimbursement and risk adjustment or CCs with lesser impact. Most diagnoses that are classified as “non-specified” do not 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*

**In This Issue**

- Impact of Reporting Accuracy
- Impact More than Payment
- MCC’s
- Common CC’s
- Avoid Non-Specific Terminology
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 $3,874

Example #2:
Principal Dx: Aspiration Pneumonia
Secondary Dx: CHF
MS-DRG 179 Complex Pneumonia w/o CC/MCC $5,331
INCREASED $1,457

Example #3:
 Principal Dx: Aspiration Pneumonia
Secondary Dx: Systolic Heart Failure
MS-DRG 178 Complex Pneumonia w CC $7,650
INCREASED $2,319

Example #4:
Principal Dx: Aspiration Pneumonia
Secondary Dx: Acute on Chronic Systolic Heart Failure
MS-DRG 177 Complex Pneumonia w MCC $10,720
INCREASED $3,070

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

Potentially Overlooked Secondary Diagnoses

- Acidosis / Alkalosis
- 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
- Dementia with Behavioral Disturbance
- Encephalopathy
- Exacerbation of COPD or Asthma
- Hemiparesis
- Malnutrition (specify stage)
- Stage 3 or 4 Pressure Ulcer

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 and other DRG-based payors;
- 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 credit for risk adjustment through justification of appropriate HCCs (hierarchical condition categories).

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

<table>
<thead>
<tr>
<th>PATIENT A1:</th>
<th>PATIENT A2:</th>
</tr>
</thead>
<tbody>
<tr>
<td>CHF</td>
<td>ACUTE SYSTOLIC HEART FAILURE</td>
</tr>
<tr>
<td>COPD</td>
<td>EXACERBATION OF COPD</td>
</tr>
<tr>
<td>RENAL INSUFFICIENCY</td>
<td>CHRONIC KIDNEY DISEASE, STAGE 4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PATIENT A2:</th>
<th>PATIENT B2:</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACUTE &amp; CHRONIC CHOLECYSTITIS</td>
<td>ACUTE &amp; CHRONIC CHOLECYSTITIS</td>
</tr>
<tr>
<td>HYPERTENSION</td>
<td>HYPERTENSION</td>
</tr>
<tr>
<td>HYPERCHOLESTEROLEMA</td>
<td>HYPERCHOLESTEROLEMA</td>
</tr>
<tr>
<td></td>
<td>COPD</td>
</tr>
<tr>
<td></td>
<td>MALNUTRITION</td>
</tr>
<tr>
<td></td>
<td>HYPONATREMIA</td>
</tr>
</tbody>
</table>

www.hospitalcompare.gov
Major Complications / Comorbid Conditions (MCC)

**Cardiovascular / Cerebrovascular:**
- Brain Death
- CHF – Acute (or Acute on Chronic); Systolic or Diastolic or Combined
- Cor Pulmonale, Acute
- CVA / Stroke / Cerebral Infarct or Hemorrhage
- Cerebral Edema
- Coma *(except w/ ICB)*
- Endocarditis / Myocarditis, Acute
- MI, Acute
- Pulmonary Embolism, Acute

**Respiratory & Infectious Disease:**
- Aspiration Bronchitis, Aspiration Pneumonia
- HIV Disease
- Pneumonia, Including Viral
- Pulmonary Edema, Acute (Noncardiogenic)
- Respiratory Failure, Acute
- Respiratory Failure, Acute Following Trauma / Surgery
- Sepsis, Severe Sepsis, Septic Shock
- Spontaneous Tension Pneumothorax

**Other MCCs:**
- Acute Renal Failure with Acute Tubular Necrosis (ATN)
- Acute Liver Failure
- 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
- Locked-In State
- Major Injuries
- Malnutrition, Severe or Emaciation
- Pancreatitis, Acute
- Pancytopenia, Chemo or Drug-Induced
- Peritonitis
- Pressure Ulcer, Stage III or IV
- Quadriplegia, Functional Quadriplegia
- SIRS due to Noninfectious Process w/ Acute Organ Dysfunction
- Volvulus

---

**MCC if D/C Alive:**
- Cardiac Arrest
- Cardiogenic Shock
- Respiratory Arrest
- Ventricular Fibrillation
- Other Shock w/o Trauma

---

*Complete documentation is needed to get credit for severity of illness and risk adjustment!*

For a complete list of MCC & CC codes, see attachments– Table 6I and 6J - in the FY15 IPPS Final Rule
### 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 Unspec, Systolic or Diastolic
- Cardiomyopathy (except ischemic)
- Chronic Total Occlusion – Extremity Artery
- Demand Ischemia
- Heart Failure, Left
- Hypertension, Accelerated or Malignant
- Hypertensive Heart Dz w/ CHF
- Hypertensive Encephalopathy
- In-Stent Stenosis (Cardiac Stent); Stent Jail
- Pleural Effusion
- Post MI Syndrome
- Tachycardia - Paroxysmal Supraventricular
- Tachycardia - Paroxysmal Ventricular
- Not if nonsustained
- Thrombophlebitis & Venous Thrombosis
  - (specify acute or chronic)

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

### Behavioral, Nervous & Cerebrovascular
- Dementia w/ Behavioral Disturbance
- Aphasia (not post-stroke)
- Delirium, Drug-Induced
- Dementia w/ Delirium, Depression or
  - Delusion (presenile, senile or vascular)
- Depression, Major / Acute
- Encephalopathy, Alcoholic
- Hallucinations (auditory, drug/alcohol induced)
- Hemiplegia; Hemiparesis
- Left Sided Neglect
- Normal Pressure Hydrocephalus
- Paraplegia
- Schizophrenia (except unspecified)
- Seizures, Recurrent or Post-Traumatic
- Suicidal Ideation
- TIA
- Vertebrasinal Insufficiency
- Withdrawal – Alcohol or Drug

### Nephrology & Genitourinary
- Acute Renal Failure / Acute Kidney Injury
- Calculus of Ureter or Kidney
- Chronic Kidney Disease, Stage 4 or 5
- Cystostomy Complications
- Hydronephrosis / Hydroureter
- Nephrotic Syndrome
- Polycystic Kidney
- Pyelonephritis, UTI

### Orthopedic & Skin
- Cellulitis (except fingers, toes)
- Compartment Syndrome, Nontraumatic
- Complications of Prosthetic Joint
- Fractures, Pathologic; Traumatic, Closed – many sites
- Gangrene
- Osteomyelitis, Acute, Chronic, or Unspecified
- Stasis Ulcer – inflamed or infected
- Ulcer of Skin, Lower Extremity

### Hematologic & Oncology
- Acute Blood Loss Anemia; Postop Anemia due
  - to Blood Loss
- Aplastic Anemia
- Acquired Hemophilia
- Lymphoma & Leukemia (also in remission)
- Malignant Neoplasm
  - (Most Sites–not Breast/ Prostate)
- Pancytopenia
- Secondary Neuroendocrine Tumors

### Respiratory
- Asthma Exacerbation
- Atelectasis
- COPD w/ Acute Exacerbation
- Emphysema w/ Exacerbation of Chronic Bronchitis
- Hemoptyis
- Pulmonary Edema - noncardiogenic
- Respiratory Alkalosis / Acidosis
- Respiratory Distress, Acute; ARDS
- Respiratory Failure, Chronic
- Respirator Weaning or Dependence

### Metabolic
- Acidosis / Alkalosis
- Adult BMI <19, Adult BMI ≥40
- Cachexia
- Hypernatremia / Hypoatremia
- Malnutrition (unless severe)
- Obesity Hypoventilation Syndrome

### Other
- Bacteremia; CLABSI
- Complication / Infection of Device, Implant, Graft
- Shock – postop w/o specifying type
- SIRS due to Noninfectious Process
- Thrush
- Transplant Status – most organs
### Avoid Non-Specific Terminology

Listed below are more examples of non-specific diagnoses not recognized for DRG reimbursement, and a more specific counterpart that IS recognized by the DRG reimbursement methodology:

<table>
<thead>
<tr>
<th>NON-SPECIFIC DIAGNOSIS</th>
<th>SPECIFIC COMPLICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Azotemia</td>
<td>Obstructive Uropathy, Acute Renal Failure</td>
</tr>
<tr>
<td></td>
<td>Chronic Kidney Disease (specify stage)</td>
</tr>
<tr>
<td>Diabetes Mellitus</td>
<td>Diabetic Gastroparesis, Diabetic Nephrosis, DKA, etc.</td>
</tr>
<tr>
<td>Hypertension</td>
<td>Hypertensive Encephalopathy, Accelerated Hypertension,</td>
</tr>
<tr>
<td></td>
<td>Hypertension with Chronic Kidney Disease (specify stage)</td>
</tr>
<tr>
<td>Hypoalbuminemia</td>
<td>Malnutrition <em>(specify mild, moderate, severe)</em></td>
</tr>
<tr>
<td>Hypercapnea</td>
<td>Acute Respiratory Failure or Acute Exacerbation of COPD</td>
</tr>
<tr>
<td>Anemia</td>
<td>Acute Blood Loss Anemia, Aplastic Anemia or Sideroblastic Anemia,</td>
</tr>
<tr>
<td></td>
<td>Pancytopenia <em>(specify if due to drug effects such as chemo)</em></td>
</tr>
<tr>
<td>GI Bleed</td>
<td>GI Bleed due to Gastritis or other specific GI condition</td>
</tr>
<tr>
<td>Cardiac Arrhythmia</td>
<td>Atrial Flutter, Paroxysmal Ventricular Tachycardia, etc.</td>
</tr>
<tr>
<td>Cardiomegaly</td>
<td>Acute or Chronic, Systolic or Diastolic Heart Failure</td>
</tr>
<tr>
<td>Schizophrenia</td>
<td>Chronic Schizophrenia or other more specific type</td>
</tr>
</tbody>
</table>