

# MS-DRG NEWS

## Administrative Consultant Service, LLC.

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10/01/12

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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, 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**

**\$3,893**

## Example #2:

Principal Dx: Aspiration Pneumonia

Secondary Dx: CHF

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

**\$5,389**

**+ \$ 1,496**

## Example #3:

Principal Dx: Aspiration Pneumonia

Secondary Dx: Systolic Heart Failure

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

**\$7,922**

**+ \$ 2,533**

## Example #4:

Principal Dx: Aspiration Pneumonia

Secondary Dx: Acute on Chronic Systolic Heart Failure

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

**\$11,302**

**+ \$ 3,380**

*\*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

**Complete Documentation  
is Critical**

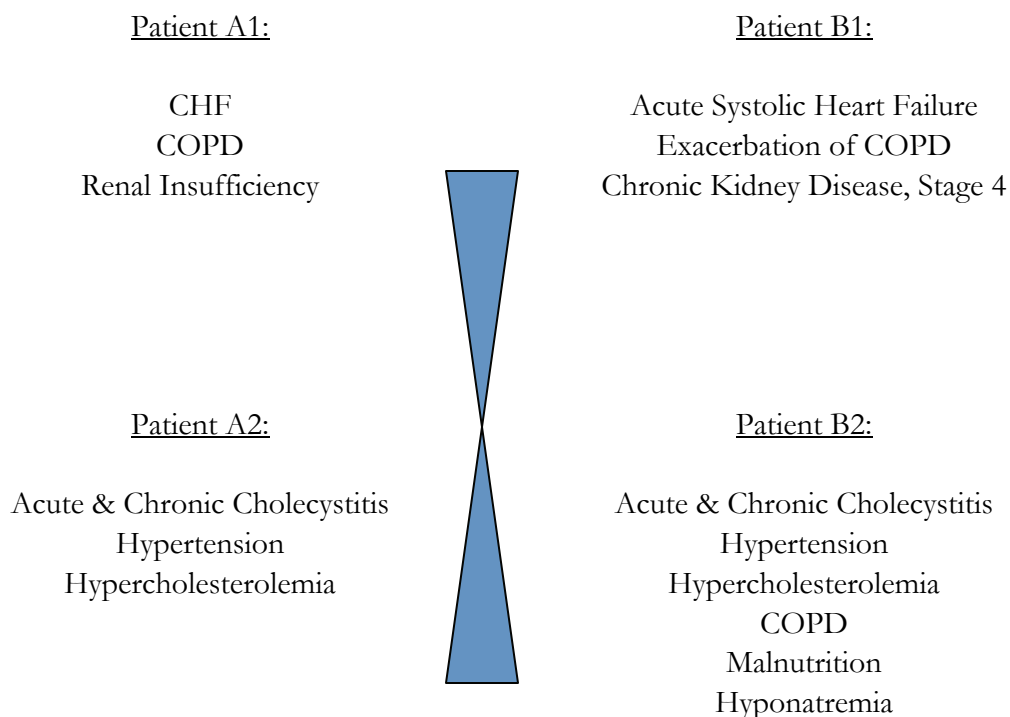
It only takes **ONE** MCC/CC condition to impact MS- DRG assignment and reimbursement, however additional secondary diagnoses may impact risk adjustment.

## 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 credit for risk adjustment 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:

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

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

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

## 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

*Completed documentation is needed to get credit for severity of illness and risk adjustment.*

*For a complete list of MCC & CC codes, see attachment – Table 6J - to the FY13 IPPS Final Rule*

# Complications / Comorbid Conditions (CC)

<p style="text-align: center;"><b><u>Cardiovascular &amp; Vascular</u></b></p> <p>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 (<i>except ischemic</i>)          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  <i>Not if nonsustained</i>          Thrombophlebitis &amp; Venous Thrombosis  <i>(specify acute or chronic)</i></p>	<p style="text-align: center;"><b><u>Gastrointestinal</u></b></p> <p>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</p>
<p style="text-align: center;"><b><u>Behavioral, Nervous &amp; Cerebrovascular</u></b></p> <p>Dementia w/ Behavioral Disturbance          Aphasia (<i>not post-stroke</i>)          Delirium, Drug-Induced          Dementia w/ Delirium, Depression or Delusion (<i>presenile, senile or vascular</i>)          Depression, Major / Acute          Encephalopathy, Alcoholic          Hallucinations (<i>auditory, drug/alcohol induced</i>)          Hemiplegia; Hemiparesis          Left Sided Neglect          Normal Pressure Hydrocephalus          Paraplegia          Schizophrenia (<i>except unspecified</i>)          Seizures, Recurrent or Post-Traumatic          Suicidal Ideation          TIA      Vertebrobasilar Insufficiency          Withdrawal – Alcohol or Drug</p>	<p style="text-align: center;"><b><u>Nephrology &amp; Genitourinary</u></b></p> <p>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</p> <p style="text-align: center;"><b><u>Orthopedic &amp; Skin</u></b></p> <p>Cellulitis (<i>except fingers, toes</i>)          Compartment Syndrome, Nontraumatic          Complications of Prosthetic Joint          Fractures, Pathologic; Traumatic, Closed – <i>many sites</i>          Gangrene          Osteomyelitis, Acute, Chronic, or Unspecified          Stasis Ulcer – <i>inflamed or infected</i>          Ulcer of Skin, Lower Extremity</p>
<p style="text-align: center;"><b><u>Hematologic &amp; Oncology</u></b></p> <p>Acute Blood Loss Anemia; Postop Anemia due to Blood Loss          Aplastic Anemia          Acquired Hemophilia          Lymphoma &amp; Leukemia (<i>also in remission</i>)          Malignant Neoplasm  <i>(Most Sites–not Breast/ Prostate)</i>          Pancytopenia          Secondary Neuroendocrine Tumors</p>	<p style="text-align: center;"><b><u>Respiratory</u></b></p> <p>Asthma Exacerbation      Atelectasis          COPD w/ Acute Exacerbation          Emphysema w/ Exacerbation of Chronic Bronchitis          Hemoptysis          Pulmonary Edema - <i>noncardiogenic</i>          Respiratory Alkalosis / Acidosis          Respiratory Distress, Acute; ARDS          Respiratory Failure, Chronic          Respirator Weaning or Dependence</p>
<p style="text-align: center;"><b><u>Metabolic</u></b></p> <p>Acidosis / Alkalosis          Adult BMI &lt;19, Adult BMI ≥40          Cachexia          Hyponatremia / Hyponatremia          Malnutrition (<i>unless severe</i>)          Obesity Hypoventilation Syndrome</p>	<p style="text-align: center;"><b><u>Other</u></b></p> <p>Bacteremia; CLABSI          Complication / Infection of Device, Implant, Graft          Shock – postop <i>w/o specifying type</i>          SIRS due to Noninfectious Process          Thrush          Transplant Status – <i>most organs</i></p>

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**Being specific is the key to  
 obtaining accurate  
 reimbursement and severity  
 of illness measurement!**

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*"Providing consultation to improve clinical  
 and financial outcomes of health care."*

## 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:

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