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## Fresh eyes and a year of "firsts" for AR-DRGs

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# Fresh eyes and a year of "firsts" for AR-DRGs

## **Abstract**

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# Fresh eyes and a year of “firsts” for AR-DRGs



National **Casemix** &  
**Classification** Centre



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# Overview



National **Casemix** &  
**Classification** Centre

- Background to the project and who we are
- The review that led to the project
- The outcome of the review
- Governance
- Opportunities
- Challenges
- Some key focus areas
- Looking to the future

# Background



- UOW contracted to produce 2012 AR-DRG Classification System
  - 8<sup>th</sup> edition ICD-10AM
  - The Australian Classification of Health Interventions (ACHI)
  - The Australian Coding Standards (ACS)
  - AR-DRG V7.0
  
- AHSRI – runs on the board
  - Extensive experience in ICD development
  - Previous casemix work
  
- Project approach informed by PWC Review

# The PWC review – key findings



Estimated annual investment - \$9.6m from all parts of the system

Widespread reliance on the system;

- Domestic and international.
- Public and private

## **International good practice;**

Central management of the development cycle and mandated universal implementation dates

Technical development work carried out by one central body with the release of annual updates

Public submission process – assist with clinician engagement

IP owned by the government with easy accessibility but commercial value

Data integrity is greater in countries where the classification underpins a funding model.



# The value of the system



Return on investment in classification development;

Improved funding efficiency

Improved health planning and resource allocation

Support for quality and safety

Improved clinical research capability

Improved patient service management



# Review recommendations



- Direct impact on the design of the 2012 AR-DRG System

## Project

- Joint development in one agency
- Timing in delivery of ICD-10-AM and AR-DRG
- Synchronicity in development
- Transparency



- Expert advisory groups
- Cross representation
- Support of decisions across both classifications
  
- Endorsement of classification
- DoHA – Transition Office - IHPA

# Opportunities



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- Integrated consultation
- Integrated analysis
- Development of new expertise
- Co-ordinated solutions to complex problems

# Challenges



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- Purpose of collection
- Boundaries with other decision-making bodies
- Maintenance of separate roles for each classification
- Finding new ways to work
- Effect on timing within each team
- Understanding the sign-off requirements

# Some key development areas - clinical



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- Public submission on areas of concern
  - ICDs
  - DRGs
  
- Obesity
- Neonates
- Paediatrics

# A few snippets



- ACHI keeping pace with clinical/technological change
- Not enough code numbers available
- Challenges to ACS– coding of diabetes and other chronic diseases
- ICD vs DRG solutions – eg multiple procedures – SEMLS...or should it be MORF?
- Neonates
  - Adding new codes
  - Building severity into codes
  - Different splits to form DRGs – eg same day, procedure splits in the medical partition?
  - PCCL solution or review of medical problem list?



# Future proofing



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- Continuous development vs project segments
- Ongoing relationship between ICD and DRG development with an understanding of what worked and what didn't
- Co-ordination and communication pathways with other related decision-making bodies
- Involvement in international work
- R&D plan for future work