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# The 2012 AR-DRG classification system development program

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# The 2012 AR-DRG classification system development program

## **Abstract**

Powerpoint presentation presented at HIMAA 2012 National Conference, Gold Coast, Qld.

## **Keywords**

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# The 2012 AR-DRG Classification System Development Program

**NCCC**



national casemix and  
classification centre



ahsri | UOW



Jenny McNamee, Director NCCC  
October 2012



## The 2012 AR-DRG Classification System includes;

- International Classification of Diseases, Tenth Revision – Australian Modification (ICD-10-AM) - Eighth Edition
- Australian Classification of Health Interventions (ACHI) – Eighth Edition
- Australian Coding Standards (ACS) – Eighth Edition
- Australian Refined – Diagnosis Related Groups (AR-DRGs) – Version 7.0

# The 2012 AR-DRG System contract



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## What's different this time?

- The AR-DRG development outside of DoHA
- ICD-10-AM/ACHI and AR-DRG developed together by one organisation
- Classification systems developed for synchronous implementation
  
- The National Health Reform Agreement and ABF!!
- The Independent Hospital Pricing Authority (IHPA) set up
  - With the transfer of 2012 AR-DRG System contract

# What does that mean?



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- **For the system;**

- An opportunity for improved classification systems, with co-ordinated development programs
- One place for public submissions - grouping problem or coding issue
- A more comprehensive classification conversation
- The same criteria for change applies to both systems

- **For the NCCC;**

- Rethinking development schedules – more time or less time?
- Ensure that implications for both systems are considered for all decisions
- Broad understanding of both systems required across the team
- More agility required to move between systems and question where change should occur.

# Common assessment criteria



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- Achieves greater clinical currency
- Supports improved funding
- Provides statistical benefits
- Is aligned with national health priority areas
- Maintains the stability of classification conventions

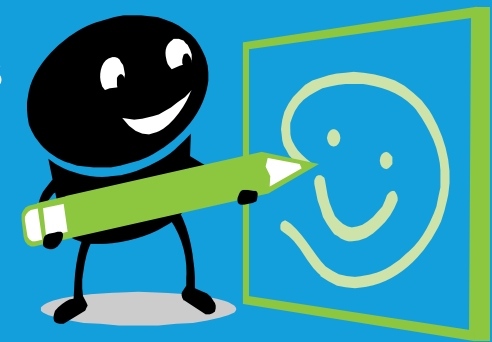


# Benefits



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- Combined clinical consultation for advice on ICD and DRG
- Impact analysis on the DRG system can support ICD decisions in real time
- ICD development able to be informed by statistical analysis when required
- Issues taken to both DRG and ICD Technical groups for comment
- Expert coding advice was provided on DRG proposals
- Specialty based clinical reviews covered both systems





# Challenges



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- Managing the concern about ICD “contamination” by DRG
- Managing the influence of DRG interests in ICD decisions and vice versa
  - Particularly regarding technical groups
- Interleaving of development schedules - understanding dependencies
- Cross skilling of ICD and DRG teams
- Challenging conventional thinking about the interaction between the classifications - (is a problem about one or other, or is it the way they work together )
- Sharing development work between ICD and DRG teams – how much?, when? - (issues of double handling)

# Clinical review - Bariatric Surgery



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## **Raised as a clinical currency and funding issue;**

- Clinicians reported failure of DRGs
- Previously raised as a coding issue, with inconsistent coding advice given

NCCC engaged the Obesity Surgery Society of Australia and New Zealand

- Two teleconferences and one full day workshop
- ICD addressed first, then DRG

## **Findings;**

- ACHI codes did not represent current surgical practice
- The different invasive and minimally invasive procedures being undertaken had very different cost implications and insufficient codes to represent them.
- The DRG grouping could not be improved unless new specific intervention codes were created



### What was the outcome?

#### ▪ ACHI

- The creation of 24 new codes for bariatric procedures
- Changes to the inclusion terms for 4 codes to ensure accurate assignment
- The deletion of 4 codes that did not cover the new clinical concepts

#### ▪ AR-DRG

- The creation of 3 new ADRGs for bariatric surgery, with a reclassification of procedures into;
  - Revisional and open
  - Major laparoscopic
  - Other
- The reclassification of plastic procedures (eg lipectomy) as non-bariatric



## Raised as failure of DRG Grouping;

- By Australian and New Zealand Neonatal Network clinicians
- Neonatal DRGs were not effective in separating neonates with problems from really sick neonates
- The admission weight has limitations as a proxy for severity of illness
- The available ICD codes for many neonatal problems do not deal with severity

One initial teleconference to identify priorities

Three workshops 2 x full day, 1x half day

ICD and DRG aspects were reviewed together, as issues were interleaved



### What was the outcome?

#### ▪ ICD

- Created new ACHI codes for specific neonatal interventions (eg combined invasive and non-invasive ventilation, nitric oxide)
- Expanded selected ICD codes to capture severity
- Updated ACS 1615 *Specific interventions for the sick neonate*

#### ▪ DRG

- Reviewed all neonatal DRGs
- Added gestational age as a splitting variable for some DRGs
- Added a surgical ADRG for very small babies
- Updated the major problem list (issue of clinical currency)
- Added interventions to the major problem list, as a proxy for severity



## Recognised as a failure of DRGs;

- Paediatric review included in contracted work
- Long outstanding issue of DRGs not accounting for complicating factors in treating children.

## NCCC Engaged Children's Hospitals Australasia

- Three half day workshops
- ICD coding and DRG issues considered together





## What was the outcome?

- ICD
  - No new ICD or ACHI codes created or modified
  - Review of the use of some codes clinically identified as being complicating factors
  - Work program for next edition to review the appropriate use of codes for “social problems” and chronic conditions known to impact (eg Down’s Syndrome, CP)
  
- DRG
  - 30 new ICD codes added as complicating diagnoses in V7.0 AR-DRGs
  - The re-introduction of age splits in three ADRGs at Age >16

# To follow



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- Anne Elsworthy
  - Outline the processes for managing submissions and updates
  
- Susan Claessen
  - The Chronicle, and how it can be used