The 2012 AR-DRG classification system development program

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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

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?

**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

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

- 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

- 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)
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
Bariatric Surgery cont..

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 (e.g., lipectomy) as non-bariatric
Clinical Review - Neonatology

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, 1 x 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 (e.g., 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 (e.g. 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

- Anne Elsworthy
  - Outline the processes for managing submissions and updates

- Susan Claessen
  - The Chronicle, and how it can be used