2011

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

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**Recommended Citation**

Green, Janette P.; McNamee, Jennifer P.; Elsworthy, Anne M.; and Lago, Luise P. "Fresh eyes and a year of "firsts" for AR-DRGs" (2011). *Australian Health Services Research Institute*. 108.  

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

Abstract
Powerpoint presentation presented at the National Casemix and Activity-Based Funding Conference, Gold Coast

Keywords
eyes, firsts, fresh, year, ar, drgs

Publication Details
J. P. Green, J. P. McNamee, A. M. Elsworthy & L. P. Lago "Fresh eyes and a year of “firsts” for AR-DRGs", National Casemix and Activity-Based Funding Conference, Gold Coast, 5-7 October 2011, (2011)

This conference paper is available at Research Online: https://ro.uow.edu.au/ahsri/108
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NCCC, AHSRI, University of Wollongong
Overview

- 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
  - 8th 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;
  o Domestic and international.
  o 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
Governance

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

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

- 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

- 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

- 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