

# ABF and Implications for Coding

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# ABF explained

What is ABF

What are  
DRGs

What are  
MDCs



# What is



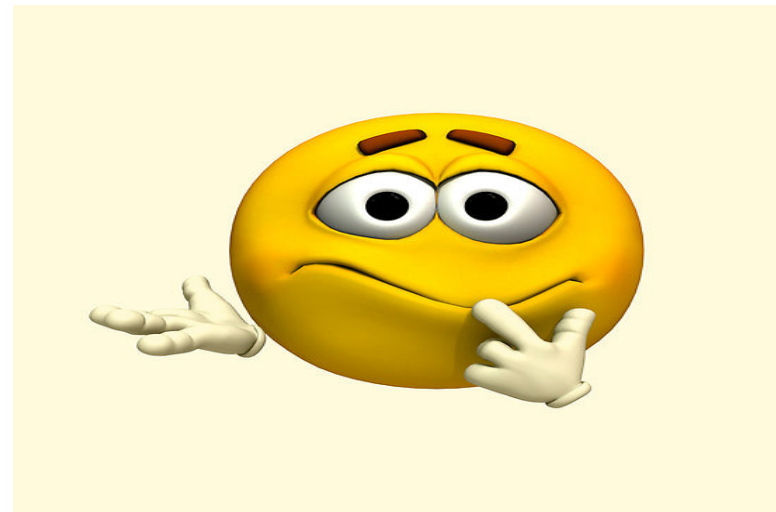
## Activity Based Funding (ABF)

ABF is a way of funding hospitals for the number and mix of patients they treat. ABF also takes into account the fact that some patients are more complicated to treat than others.

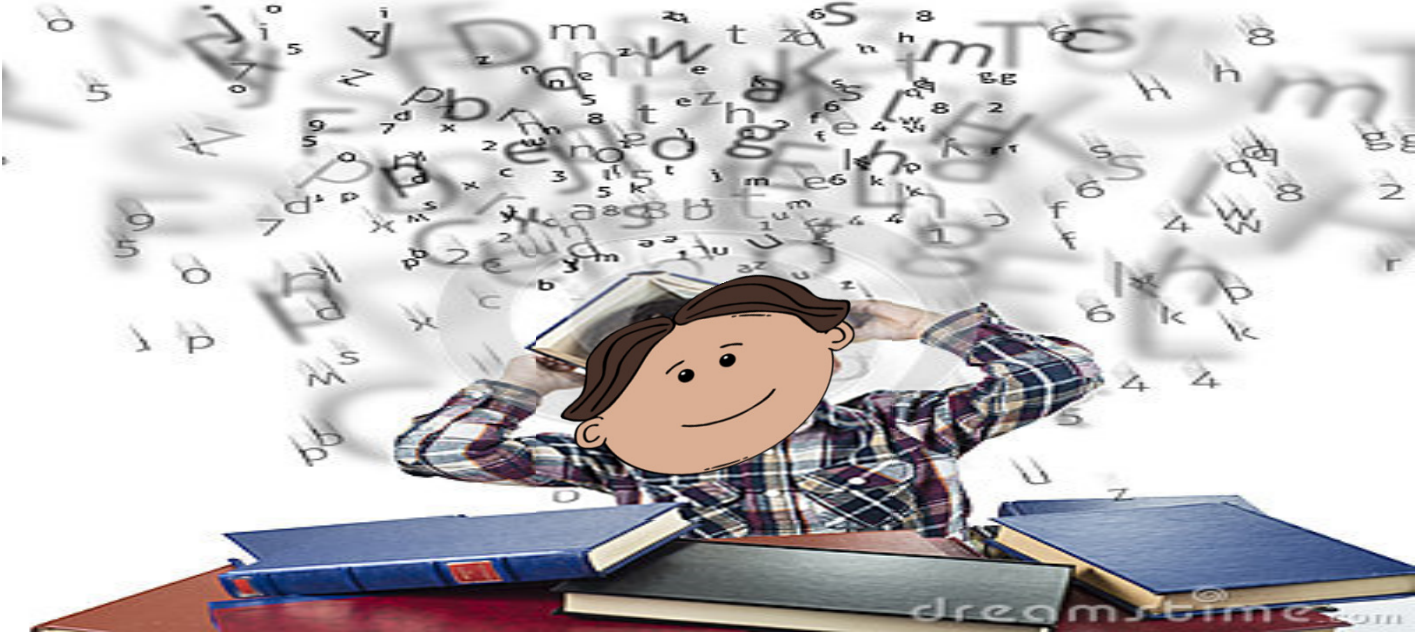
# ABF explained



What is Activity Based Funding ABF and STARS\_720P.mp4



# The Coder





# What is a DRG

Classification system used to structure acute inpatient episodes of care into groups **that are clinically similar** and therefore are anticipated to **consume comparable levels** of hospital resources

# ADRG

R

60

A

R indicates the major diagnostic category to which DRG belongs

60 Indicates partition to which DRG belongs, surgical, other, medical

B Ranks the resource consumption of a DRG

**R60A Acute Leukaemia, Major Complexity**

Relative Value 6.62



# The grouping process

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## The grouper performs the following tasks

- Demographic and clinic edits
- MDC assignment
- Pre MDC processing
- MDC processing
- ADRG assignment
- DCL assignment and ECCS scoring
- DRG assignment

# Demographic and clinic edits



The demographic edits check **age, sex, Adm weight, LOS, sameday status and mode of separation.**

The clinical edits **validate all diagnosis and procedures** combined with patients age and sex.

The **Pdx** is also checked to ensure that **it is acceptable as a Pdx** and that it is not listed on the Unacceptable Principal Diagnosis List (e.g. external cause of injury codes etc).

# MDC assignment



The grouper assigns an episode of care to an MDC (Major Diagnostic Category). This is done on the basis of the PDx (some exceptions).

- B' is MDC 01 Diseases and disorders of the nervous system
- F' is MDC 05 *Diseases and disorders of the circulatory system*

# Pre MDC processing

It identifies and assigns eleven **very high cost ADRG's**.

A05Z Heart transplant



A06C Tracheostomy and/or Ventilation  $\geq 96$ hrs, Minor complexity



# MDC Processing

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The partition is denoted by the 2 numbers in the DRG

- Surgical: Range 01-39
- Other: Range 40-59
- Medical: Range 60-99

# MDC Processing

**Splits the MDC into:**

**Surgical:**

at least one OR procedure considered significant by the DRG classification

**Other:**

no OR procedure but at least one non-OR procedure  
e.g. colonoscopy, cardiac catheter

**Medical:**

no OR or non-OR procedures

# Example Surgical 01 - 39

**MDC:** 06 Digestive System

**DRG:** G01B Rectal Resection, Intermediate Complexity

**Principal Diagnosis:**

C20 Malignant neoplasm of rectum

**Procedures:**

3202500 Low anterior resect rectum

## Example Other 40 - 59

**MDC:** 06 Digestive System

**DRG:** G48B Colonoscopy, Minor Complexity

**Principal Diagnosis:**

C20 Malignant neoplasm of rectum

**Procedures:**

3209000 Fibreoptic colonoscopy to caecum



# Example of Medical 60 - 99

**MDC:** 06 Digestive System

**DRG:** G60B Digestive Malignancy, Minor Complexity

**Principal Diagnosis:**

C20 Malignant neoplasm of rectum

**Procedures:**

9619900 IV admin of pharmac agent antineoplastic

# ADRG assignment

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Episodes are assigned to ADRGs mainly on the basis of the diagnosis and intervention codes for the episode.

# DRGs

DRGs within an ADRG are organised hierarchically on the basis of clinical complexity. The **fourth character is used to identify sub-groups** of patients **within an ADRG** that are separated by **different levels of clinical complexity**.

- **A** highest clinical complexity
- **B** second highest clinical complexity
- **C** third highest clinical complexity
- **D** fourth highest clinical complexity
- **Z** no split for the ADRG (no subgroups identified)

# ADRGs

ADRG B70 Stroke and Other Cerebrovascular Disorders is split into three complexity DRGs and one split on separation mode.

- **B70A** Stroke and Other Cerebrovascular Disorders, Major Complexity
- **B70B** Stroke and other Cerebrovascular Disorders, Intermediate Complexity
- **B70C** Stroke and other Cerebrovascular Disorders, Minor Complexity
- **B70D** Stroke and other Cerebrovascular Disorders, Transferred <5 days

- How accuracy of code assignment impacts on DRG assignment

# Patient admitted with LRTI and has a background of COPD



Principal diagnosis	J22 Unspec acute lwr resp infection
Additional diagnosis	J449 Chronic obstructive pulmonary disease, unspecified Z720 Tobacco use, current
DRG	E75B Oth Respir System Disorders, Minor Complexity
RV (Relative Value)	0.48

Principal diagnosis	<b>J44.0 Chronic obstructive pulmonary disease with acute lwr respiratory infection</b>
Additional diagnosis	Z720 Tobacco use, current
DRG	<b>E65B Chronic Obstruct Airway Dis, Minor Complexity</b>
RV (Relative Value)	<b>0.58</b>

# Patient admitted with infective exacerbation of Asthma and has a background of COPD



Principal diagnosis	J45.9 Asthma, unspecified
Additional diagnosis	Z720 Tobacco use, current
DRG	E69B Bronchitis & Asthma, Minor Complexity
RV (Relative Value)	0.45

Principal diagnosis	<b>J440 Chronic obstructive pulmonary disease with acute lower respiratory infection</b>
Additional diagnosis	Z720 Tobacco use, current
DRG	<b>E65B Chronic Obstruct Airway Dis, Minor Complexity</b>
RV (Relative Value)	<b>0.58</b>

# Importance of correct principal diagnosis



Principal diagnosis	R296 Tendency to fall
Additional diagnosis	G20 Parkinsonism
DRG	B81B Other Dsrd of Nervous Sys, Minor Complexity
RV (Relative Value)	0.65

Principal diagnosis	<b>G20 Parkinsonism</b>
Additional diagnosis	
DRG	<b>B67C Degrntv Nerv Sys Dis, Minor Complexity</b>
RV (Relative Value)	<b>1.10</b>



# Importance of coding additional diagnosis



Principal diagnosis	N390 Urinary tract infection
Additional diagnosis	I489 Atrial fibrillation and atrial flutter, unspecified
DRG	L63B Kdny & Unry Trct Inf - CSCC
RV (Relative Value)	0.55

Principal diagnosis	N390 Urinary tract infection
Additional diagnosis	I489 Atrial fibrillation and atrial flutter, unspecified
	<b>F03 Unspecified dementia</b>
DRG	<b>L63A Kdny &amp; Unry Trct Inf + CSCC</b>
RV (Relative Value)	<b>1.19</b>

# Importance of coding additional diagnosis



Principal diagnosis	J690 Aspiration pneumonia
Additional diagnosis	R568 Other and Unspecified convulsions
	Q909 Down's Syndrome unspecified
	F03 Unspecified Dementia
DRG	E62B Respiratory infection & Inflamm, Minor complexity
RV (Relative Value)	0.72

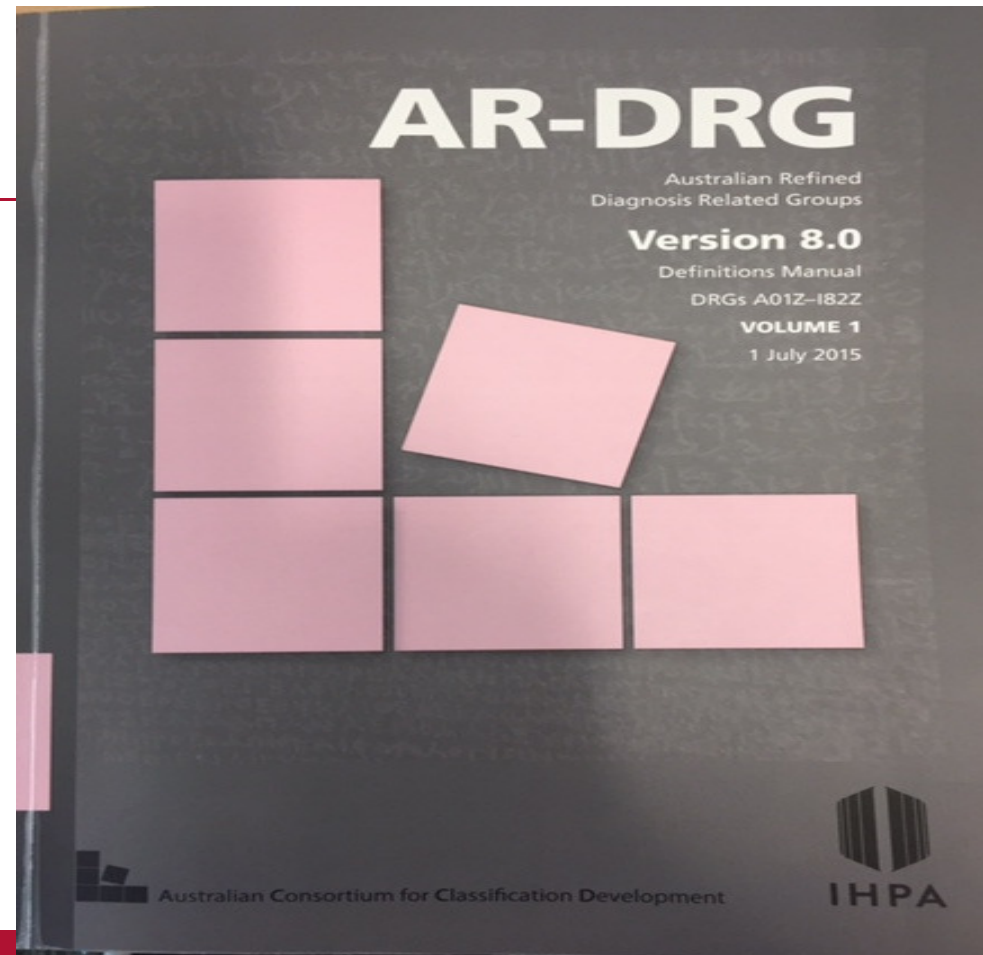
Principal diagnosis	J690 Aspiration pneumonia
Additional diagnosis	R568 Other and Unspecified convulsions
	Q909 Down's Syndrome unspecified
	F03 Unspecified Dementia
	<b>R32 Unspecified Urinary Incontinence</b>
	<b>R15 Faecal Incontinence</b>
DRG	<b>E62A Respiratory infection &amp; inflamm, Major complexity</b>
RV (Relative Value)	<b>1.55</b>

# Importance of coding additional diagnosis



Principal diagnosis	N179 Acute kidney failure, unspecified
Additional diagnosis	E119 Type 2 diabetes mellitus without complication
DRG	L60C Kidney Failure, Minor Complexity
RV (Relative Value)	0.7

Principal diagnosis	N179 Acute kidney failure, unspecified
Additional diagnosis	<b>E1129 Type 2 diabetes mellitus with other specified kidney complication</b>
DRG	<b>L60B Kidney Failure, Intermediate Complexity</b>
RV (Relative Value)	<b>1.15</b>



# Thank you

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