



## ESSENT HEALTHCARE, INC.

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<b>Section:</b>	<b>Corporate Compliance</b>	<b>Effective Date:</b>	<b>3/31/05</b>
<b>Subject:</b>	<b>DRG Monitoring</b>	<b>Revision Date:</b>	<b>11/19/09</b>
<b>Policy #:</b>	<b>CC-15</b>	<b>Review Date:</b>	<b>11/19/09</b>
<b>Responsible Party:</b>	<b>Corporate Compliance Officer</b>	<b>Revision #:</b>	<b>5</b>

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**Scope:**

This policy applies to all Essent facilities.

**Purpose:**

The purpose of this policy is to outline the Essent process for ongoing inpatient DRG monitoring by outside auditors.

**Policy:**

It is the policy of Essent to conduct periodic audits of inpatient DRG coding to ensure coding quality and regulatory compliance.

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**Procedure:**

1. Inpatient DRG coding audits shall be conducted on a periodic basis at each facility. Such audits shall be conducted at the direction of the Corporate Compliance Officer. For purposes of this policy, “periodic” shall be defined as at least 25 records per month.
  - a. Each facility shall select a sample of claims to be reviewed based on the listing of target areas below.
  - b. Each facility shall submit copies of the sampled records to the auditors for review.
  - c. The auditors shall submit a report to each facility that summarizes the results of the audit.
  - d. Each facility shall review the audit report and document/resolve any technical “differences of opinion” with the auditors.
  - e. At the conclusion of each audit, each facility shall summarize the results of their audit on their compliance report card to include the following information:
    - i. Period being audited and number of accounts reviewed
    - ii. Number of accounts with errors impacting reimbursement (DRG change)
    - iii. Corrective actions taken within the department (training, meetings with coders...)
    - iv. Whether the account has been rebilled



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### Target Review Areas:

The following DRG's shall be the focus of monthly auditing efforts:

#### INPATIENT TARGET AREAS

- Respiratory Diagnoses w/Ventilator (old DRG 76)
  - MSDRG 166 - Other Respiratory System OR Procedures w/MCC
  - MSDRG 167 - Other Respiratory System OR Procedures w/CC
  - MSDRG 168 - Other Respiratory System OR Procedures w/o CC/MCC
- Respiratory Infections & Inflammations, Age > 17 w/CC (old DRG 79)
  - MSDRG 177 Respiratory Infections & Inflammations w/MCC
  - MSDRG 178 Respiratory Infections & Inflammations w/CC
  - MSDRG 179 Respiratory Infections & Inflammations w/o CC/MCC
- Respiratory System diagnosis with Ventilator Support (old DRG 565/566)
  - MSDRG 207 Respiratory System diagnosis w ventilator support 96+ hours
  - MSDRG 208 Respiratory system diagnosis w ventilator support <96 hours
- Other Circulatory System OR Procedures (old DRG 120)
  - MSDRG 264 Other circulatory system OR Procedures
- MS DRGs 286/287 - Circulatory Disorders except AMI w/Caridac CathwMCC/woMCC2
  - Treated in wrong setting (medically unnecessary)
- MS DRGs 291/292/293 Heart Failure/Shock w MCC/w CC/wo CC/MCC2
  - Treated in wrong setting (medically unnecessary)
  - Coding errors
- MS DRGs 308/309/310 Cardiac arrhythmia & Conduction disorders wMCC/w CC/wo CC/MCC



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- Chest pain (Old DRG 143)
  - MSDRG 313 Chest Pain
  
- Excisional Debridement
  
- Wound Debridement & Skin graft except hand, for musculoskeletal and connective tissue disorders (old DRG 217)
  - MSDRG 463 Wound debridement & skin graft except hand for musculoskeletal connective tissue disease w MCC
  - MSDRG 464 Wound debridement & skin graft except hand for musculoskeletal connective tissue disease w CC
  - Wound debridement & skin graft except hand for musculoskeletal connective tissue disease w/o CC/MCC
  
- Medical Back Problems (old DRG 243) (medical necessity)
  - MSDRG 551 Medical Back Problems w/MCC
  - MSDRG 552 Medical Back Problems w/oMCC
  
- Skin Graft and/or Debridement for Skin Ulcer or Cellulitis w/CC (old DRG 263)
  - MSDRG 573 Skin graft &/or debridement for skin ulcer or cellulitis w/MCC
  - MSDRG 574 Skin graft &/or debridement for skin ulcer or cellulitis w/CC
  - MSDRG 575 Skin graft &/or debridement for skin ulcer or cellulitis w/o CC/MCC
  
- MS DRGs 640/641 Nutritional & Metabolic disorders wMCC/woMCC
  
- Septicemia (old DRG 576)
  - MSDRG 870 Septicemia w MV 96+ hours
  - MSDRG 871 Septicemia w/o MV 96+ hours w/MCC
  - MSDRG 872 Septicemia w/o MV 96+ hours w/o MCC



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- Extensive OR Procedure unrelated to principal diagnosis (old DRG 468)
  - MSDRG 981 Extensive OR procedure unrelated to principal diagnosis w/MCC
  - MSDRG 982 Extensive OR procedure unrelated to principal diagnosis w/CC
  - MSDRG 983 Extensive OR procedure unrelated to principal diagnosis w/oCC/MCC
  - MSDRG 853 Infectious & parasitic diseases w OR procedure w/MCC
  - MSDRG 854 Infectious & parasitic diseases w OR procedure w/CC
  - MSDRG 855 Infectious & parasitic diseases w OR procedure woCC/MCC
- Other Cases with high MS-DRG weight with low charges or LOS (coding)
- MCC/CC triplet rate (high % of claims assigned to MS-DRGs with MCC or CC in comparison with other facilities)

### OUTPATIENT TARGET AREAS

- Neulasta (medically unnecessary)
- Speech Language Pathology (medically unnecessary)
- Therapy units billed (medically unnecessary)
- Infusion Services (medically unnecessary)
- Multiple Colonoscopies (45355, 45378, 45380, 45383, 45384, 45385) (medically unnecessary)
- Multiple procedures on the same day (medically unnecessary)
  - E.g. CPT code 47562 (Cholecystectomy) 3 units billed
- Outpatient charges without Medical Necessity diagnoses (LCD or NCD)

### INPATIENT MEDICAL NECESSITY TARGETS



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- Short Stays with weak principal diagnoses
  - Abdominal Pain
  - Asthma
  - Dehydration
  - Diabetes
- 1 day stays
- 3-day stays with discharge status of discharge to SNF
- Readmissions within 72 hours of discharge
- IRF following single joint replacement surgery
- Cardiac defibrillator implant in wrong setting
- 7 day readmit to same or other acute facility (early discharge?)

### **References:**

OIG Compliance Guidance for Hospitals  
HCCA Compliance Manual  
RACMonitor enews 2/5/09