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About Maxim Health Information Services

Maxim Health Information Services is a division of Maxim Healthcare Services, the largest privately held healthcare staffing company in the nation. As part of a large business enterprise and a [leader in the industry](#), MHIS can help take your career to the next level. Now more than ever, hospitals and medical facilities understand the importance of hiring HIM staff to increase their bottom line. This has opened the door to many new [career opportunities](#) in the health information industry. MHIS staffs positions for on-site coders, remote coders, auditors, and more.

Welcome to a special edition of Maxim Coding CornerSM! As a leader in the HIM industry, [Maxim Health Information Services](#) is committed to providing you with updates on coding-related topics that matter to you. The recent announcement from Medicare about changes to severity DRGs has prompted the need for information for those in the HIM field. Read on to learn about what these changes are, who they affect, and how they will impact HIM.

Introduction to MS-DRGs

"What is all the fuss about?" you may ask yourself. Others may say, "CMS makes DRG changes every year, what is the big deal?" Well, for the next three years, our DRG system will be completely revamped into a new system named MS-DRGs.

WHY THE BIG CHANGE? After thorough studying, CMS realized that a patient's illness severity was not being accurately captured with the current DRG system. It was also determined that high-severity hospitals were getting under-reimbursed, while lower-severity facilities were being over-paid.

Taking this into consideration, a new DRG system was developed based on the CMS DRGs:

- DRGs have increased from 538 to 745
- CC list was updated
- DRGs were consolidated into new base DRGs
- The base DRGs were subdivided into severity levels

The first step in the revamping of the system was to revise the CC (complication/comorbidity) list which had not been updated in 20 years. After this list was updated, the system changed from a two-tier to a three-tier system, adding the designation of MCC (major complication/comorbidity).

Current System

With CC
Without CC

New System

With CC
With MCC
Without CC/MCC

Along with the addition of another tier, many diagnoses previously considered CCs were deleted from the list. Some of these were:

Chronic blood loss anemia COPD NOS
Angina pectoris, NOS Atonic bladder
Uncontrolled diabetes CHF NOS
Urinary retention Dehydration

Mild/moderate malnutrition Drug abuse
Atrial fibrillation Alcoholism/intoxication
Mitral valve disease Drug Dependency NOS
Aortic valve diseases CKD (NOS stage 1-3)
Atheroembolism Chronic renal insufficiency
Hydronephrosis Various heart blocks
Breast lump

If you would like a complete list of the MCC/CCs, visit
<http://www.cms.hhs.gov/AcuteInpatientPPS/>.

Who is Affected by MS-DRG?

Who does this affect?

- Acute Care General Hospitals
- Acute Care Specialty Hospitals
- Sole Community Hospitals (SCH)
- Medicare Dependent Small Rural Hospitals (MDH)

The following types of facilities are exempt from this new system:

- Children's Hospitals (Paid at Cost)
- Cancer Hospitals (Paid at Cost)
- Religious Non-medical Health Care Institutions (Paid at Cost)
- Critical Access Hospitals (Paid at 101% of Cost)
- Rehabilitation Hospitals and Units (Paid under IRF PPS)
- Long Term Care Hospitals (Paid under LTCH DRGs)
- Psychiatric Hospitals and Units (Paid under IPF DRGs)

Physician documentation is going to become more important than ever!

- Provider documentation will be critical in assignment of ICD-9-CM codes
- Specificity in diagnosis description can have an impact on MS-DRG assignment
- Clear identification concerning diagnoses that are present at admission, or develop following admission, is essential for MS-DRG assignment

Examples of challenges that the Physicians will face in their documentation are CHF, anemia, drug induced conditions, chronic kidney disease (stages 4, 5, and end stage will need to be specified), and COPD with bronchitis or asthma. Arthritis specificity will be important also – an example of this is celiac arthritis, which will be a CC for rheumatology. Body surface area involved in a burn will also present challenges.

MS-DRG Impact on HIM

What does all of this mean for HIM? Well, we will have to prepare for the impact this will have on our workload and workflow. We can do this by being proactive instead of reactive in our management style, updating or creating uniform coding standards, and providing consistent training for coding staff, case management, and physicians. REMEMBER: It is estimated that the coder productivity will drop 15-25% because of the MS-DRGs and POA requirements placed upon us.

To learn more about Maxim Health Information Services, visit us [online](#) or call 866-265-0589.

If you would like assistance with MS-DRG auditing and education, MHIS can provide help for you. We are equipped to provide education only for physicians and coding staff. Our MS-DRG program consists of an initial educational session, followed by a MS-DRG audit and applicable follow-up education.