

First look at MS-DRG statistics for FY2008

Changes to the Medicare inpatient prospective payment system (IPPS) by the Centers for Medicare and Medicaid Services (CMS) have significantly changed the way in which hospitals are reimbursed for FY 2008. Major changes include the continued phase-in of relative weights based on hospital-specific costs and new Medicare severity-adjusted DRGs (MS-DRGs). Other changes include the way in which outliers and certain transfers are reimbursed.

This analysis is based on an early release of the FY 2008 MedPAR for discharges during the first three quarters. This release gives us a preliminary look at FY 2008 utilization statistics under the new MS-DRGs. There are 3,593 short term acute care hospitals included representing more than 9 million discharges and more than \$91 billion in IPPS reimbursement for the first 9 months of FY2008.

Statistics shown in Table 1 are ranked according to the number of discharges with the “top 25” MS-DRGs representing more than one-third of the total for FY2008. Comparative statistics for FY2007 are provided in Table 2. It is difficult to compare individual MS-DRGs in FY2008 with the prior DRG definitions used in FY2007. There are more MS-DRGs due to the increased levels of severity defined and there are significant differences in many of the clinical definitions. As a result, the top 25 MS-DRGs represent 37.7% of the total for FY2008 while the top 25 DRGs represent 47.9% for FY2007. Additionally, there are often different classifications and numbers of MS-DRGs/DRGs for a particular diagnosis between the two systems.

Examples of differences between MS-DRG and DRG definitions.

MS-DRG	MS-DRG Description	DRG	DRG Description
291	Heart failure & shock w MCC	127	Heart failure & shock
292	Heart failure & shock w CC		
293	Heart failure & shock w/o CC/MCC		
294	Deep vein thrombophlebitis w CC/MCC	128	Deep vein thrombophlebitis
295	Deep vein thrombophlebitis w/o CC/MCC		
302	Atherosclerosis w MCC	132	Atherosclerosis w CC
303	Atherosclerosis w/o MCC	133	Atherosclerosis w/o CC
311	Angina pectoris	140	Angina pectoris

Various techniques can be used to aggregate DRGs/MS-DRGs for comparison. For example, base DRGs/MS-DRGs can be used that combine all patients for a particular condition regardless of whether CCs or MCCs are present. Another technique combines DRGs into Major Diagnostic Categories (MDCs) or medical services for gross comparison.

It is hoped that hospitals will find these preliminary statistics useful for comparing their individual experiences under the new MS-DRGs with the national experience.

Table 1 - Preliminary MS-DRG statistics for 9 months ending 6/30/2008

MS-DRG	MS-DRG DESCRIPTION	TOTAL DISCH	AVG LOS	AVERAGE REIMB	OUTLIER REIMB %	% TOT DISCH	CUMM % TOT DISCH
470	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER EXTREMITY W/O MCC	290,648	3.8	\$10,580	0.2%	3.6%	3.6%
871	SEPTICEMIA W/O MV 96+ HOURS W MCC	190,626	7.3	\$10,356	3.8%	2.3%	5.9%
392	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS W/O MCC	172,301	3.4	\$3,541	0.3%	2.1%	8.1%
194	SIMPLE PNEUMONIA & PLEURISY W CC	165,617	5.1	\$5,263	0.4%	2.0%	10.1%
291	HEART FAILURE & SHOCK W MCC	156,437	6.4	\$7,232	3.0%	1.9%	12.0%
292	HEART FAILURE & SHOCK W CC	148,366	4.7	\$5,429	0.3%	1.8%	13.9%
313	CHEST PAIN	134,980	2.1	\$2,611	0.2%	1.7%	15.5%
690	KIDNEY & URINARY TRACT INFECTIONS W/O MCC	132,276	4.1	\$4,082	0.2%	1.6%	17.1%
641	NUTRITIONAL & MISC METABOLIC DISORDERS W/O MCC	129,739	3.6	\$3,688	0.4%	1.6%	18.7%
192	CHRONIC OBSTRUCTIVE PULMONARY DISEASE W/O CC/MCC	120,231	3.8	\$3,998	0.1%	1.5%	20.2%
312	SYNCOPE & COLLAPSE	118,614	3.1	\$3,728	0.4%	1.5%	21.7%
247	PERC CARDIOVASC PROC W DRUG-ELUTING STENT W/O MCC	105,063	2.1	\$11,999	0.4%	1.3%	23.0%
191	CHRONIC OBSTRUCTIVE PULMONARY DISEASE W CC	104,624	4.9	\$4,835	0.4%	1.3%	24.3%
293	HEART FAILURE & SHOCK W/O CC/MCC	103,145	3.4	\$4,582	0.1%	1.3%	25.5%
287	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH W/O MCC	100,903	3.1	\$6,019	0.3%	1.2%	26.8%
190	CHRONIC OBSTRUCTIVE PULMONARY DISEASE W MCC	100,211	5.9	\$5,949	1.7%	1.2%	28.0%
310	CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W/O CC/MCC	98,541	2.6	\$3,027	0.1%	1.2%	29.2%
189	PULMONARY EDEMA & RESPIRATORY FAILURE	97,588	6.0	\$7,533	1.9%	1.2%	30.4%
193	SIMPLE PNEUMONIA & PLEURISY W MCC	88,980	6.6	\$6,918	2.3%	1.1%	31.5%
683	RENAL FAILURE W CC	88,485	5.2	\$6,484	0.6%	1.1%	32.6%
378	G.I. HEMORRHAGE W CC	86,095	4.2	\$5,374	0.3%	1.1%	33.7%
603	CELLULITIS W/O MCC	85,477	4.6	\$4,115	0.3%	1.1%	34.7%
195	SIMPLE PNEUMONIA & PLEURISY W/O CC/MCC	84,349	3.9	\$4,074	0.1%	1.0%	35.8%
065	INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION W CC	76,994	5.0	\$6,262	0.6%	0.9%	36.7%
682	RENAL FAILURE W MCC	75,915	7.1	\$8,739	5.0%	0.9%	37.7%

Source: American Hospital Directory, Inc.

Table 2 - DRG statistics for 9 months ending 6/30/2007

DRG	DRG DESCRIPTION	TOTAL DISCH	AVG LOS	AVERAGE REIMB	OUTLIER REIMB %	% TOT DISCH	CUMM % TOT DISCH
127	HEART FAILURE & SHOCK	467,098	5.1	\$5,734	1.4%	5.3%	5.3%
089	SIMPLE PNEUMONIA & PLEURISY AGE >17 W CC	368,648	5.3	\$5,370	0.7%	4.2%	9.5%
544	MAJOR JOINT REPLACEMENT OR REATTACHMENT OF LOWER EXTREMITY	333,932	4.2	\$10,639	0.7%	3.8%	13.2%
088	CHRONIC OBSTRUCTIVE PULMONARY DISEASE	294,662	4.7	\$4,607	0.6%	3.3%	16.6%
576	SEPTICEMIA W/O MV96+ HOURS AGE >17	233,661	7.0	\$9,145	3.0%	2.6%	19.2%
182	ESOPHAGITIS, GASTROENT & MISC DIGEST DISORDERS AGE >17 W CC	201,245	4.0	\$4,021	1.1%	2.3%	21.5%
316	RENAL FAILURE	196,687	5.9	\$7,085	2.6%	2.2%	23.7%
014	INTRACRANIAL HEMORRHAGE OR CEREBRAL INFARCTION	193,676	5.2	\$6,510	1.9%	2.2%	25.9%
174	G.I. HEMORRHAGE W CC	178,571	4.6	\$5,624	1.7%	2.0%	27.9%
296	NUTRITIONAL & MISC METABOLIC DISORDERS AGE >17 W CC	173,406	4.4	\$4,439	1.5%	2.0%	29.9%
320	KIDNEY & URINARY TRACT INFECTIONS AGE >17 W CC	169,573	4.9	\$4,593	0.8%	1.9%	31.8%
143	CHEST PAIN	161,580	2.1	\$2,671	0.1%	1.8%	33.7%
138	CARDIAC ARRHYTHMIA & CONDUCTION DISORDERS W CC	159,716	3.8	\$4,373	1.2%	1.8%	35.5%
079	RESPIRATORY INFECTIONS & INFLAMMATIONS AGE >17 W CC	123,207	7.9	\$8,830	2.3%	1.4%	36.9%
558	PERCUTANEOUS CARDIOVASC PROC W DRUG-ELUTING STENT W/O MAJ CV DX	103,016	1.7	\$11,558	0.3%	1.2%	38.0%
121	CIRCULATORY DISORDERS W AMI & MAJOR COMP, DISCHARGED ALIVE	100,567	6.0	\$8,656	2.0%	1.1%	39.2%
210	HIP & FEMUR PROCEDURES EXCEPT MAJOR JOINT AGE >17 W CC	96,569	6.5	\$10,523	2.3%	1.1%	40.3%
141	SYNCOPE & COLLAPSE W CC	95,477	3.3	\$3,994	0.3%	1.1%	41.3%
277	CELLULITIS AGE >17 W CC	91,066	5.4	\$4,695	1.4%	1.0%	42.4%
087	PULMONARY EDEMA & RESPIRATORY FAILURE	89,724	6.2	\$7,616	1.8%	1.0%	43.4%
395	RED BLOOD CELL DISORDERS AGE >17	85,907	4.1	\$4,198	2.0%	1.0%	44.4%
124	CIRCULATORY DISORDERS EXCEPT AMI, W CARD CATH & COMPLEX DIAG	79,492	4.4	\$7,825	1.9%	0.9%	45.3%
144	OTHER CIRCULATORY SYSTEM DIAGNOSES W CC	79,222	5.9	\$7,793	4.3%	0.9%	46.2%
524	TRANSIENT ISCHEMIA	77,897	3.0	\$3,631	0.3%	0.9%	47.0%
243	MEDICAL BACK PROBLEMS	72,774	4.4	\$4,052	1.1%	0.8%	47.9%

Source: American Hospital Directory, Inc.

TECHNICAL NOTES:

Data are based on the FY 2007 MedPAR (March file) and an early release of the FY2008 MedPAR for the 9 months ending 6/30/2008. In order to enable comparisons, only the first three quarters of the FY2007 MedPAR were used. There were 8,832,594 discharges for the first three quarters of FY2007 and 8,113,071 for the first three quarters of FY2008. The FY2008 discharges are understated for the first three quarters because some patients had been discharged but not billed at the time the early release file was prepared. Only short-term acute care hospitals were included in the study and claims from distinct part units were excluded. IPPS reimbursement as reported from the MedPAR files represents actual DRG/MS-DRG reimbursement (including disproportionate share (DSH) and teaching (IME) adjustments, but excluding patient deductibles and coinsurance).

--- American Hospital Directory, Inc. / December 17, 2008