Version 28.0 ICD-10 MS-DRGs Update

Overview
In 2008 and 2009, CMS began converting the ICD-9-CM based Medicare Severity – Diagnosis Related Groups (MS-DRGs), version 26.0, to ICD-10-CM and ICD-10-PCS (ICD-10-CM/PCS) codes. The project was an exercise to evaluate the effectiveness of the General Equivalence Mappings (GEMs) and to learn how best to use them in converting applications that use ICD-9-CM.

The public was informed about this undertaking through the ICD-9-CM Coordination and Maintenance Committee meetings. Lessons learned were shared with the health care industry so that similar conversion exercises would be less challenging. CMS initiated a three stage approach. The first stage involved developing a process for converting the MS-DRGs to ICD-10-CM/PCS, and using this process to convert the digestive system section of the MS-DRGs. Information from this first stage was shared with the public at the September 24-25, 2008 ICD-9-CM Coordination & Maintenance Committee.

Refinements were made to this approach based on lessons learned in the first stage. Stage two used the modified approach and automation of specific steps to convert the remaining parts of the MS-DRGs. Information about the completed project was shared with the public at the September 16-17, 2009 ICD-9-CM Coordination & Maintenance Committee. A draft ICD-10 MS-DRG version 26.0 definitions manual is posted on the HHS website at http://www.cms.gov/icd10manual/fullcode_cms/p0001.html.

A full report of the test conversion of version 26.0 ICD-10 MS-DRGs can be found at http://www.cms.gov/ICD10/Downloads/MsdrgConversion.pdf.

Stage three of the test conversion involves two major initiatives:
- Developing ICD-10 MS-DRG grouping software
- Updating the ICD-10 MS-DRGs to version 28.0

Developing ICD-10 MS-DRG grouping software
The initial test conversion of MS-DRGs included all of the MS-DRG definitions and appendices in the definitions manual except appendix C containing the CC exclusion list. In order to develop a working grouper, conversion of the CC exclusion logic was necessary. This was completed in early 2010, in addition to an interim update of the test conversion to version 27.0 MS-DRGs.

Based on internal review and public comment, several changes were implemented while developing the preliminary ICD-10 MS-DRG grouper software. Some logic changes were necessary to enable completion of an ICD-10 MS-DRG grouper that met CMS' stated goal, of developing an ICD-10 MS-DRG grouper that produces the same results as the ICD-9-CM MS-DRG grouper. Logic changes include:

- Two new lists, "Principal Diagnosis is its own MCC" and "Principal Diagnosis is its own CC" were added to the grouper to handle ICD-10-CM codes that translate to two or more separate codes in ICD-9-CM. The grouper logic was modified so that when one of the codes on the list is the principal diagnosis, the patient will be considered to have an MCC or CC based solely on the principal diagnosis.

- Some ICD-9-CM codes require multiple ICD-10-PCS to describe the procedure. Procedure logic in surgical MS-DRGs was developed to take into account the need for ICD-10-PCS code clusters to produce the same grouper results.
  - Heart Assist System
  - Kidney/Pancreas Transplant
  - Major brain device implant
  - Neurostimulators
  - Cardiac Defibrillators
  - Resection of Abdominal Aorta and Other Thoracic Vessels with Replacement
  - Implant/replace subcutaneous cardiac device
  - Lead-device pairs creating an O.R. procedure
  - Permanent Cardiac Pacemaker Implant

- An ICD-10-PCS delivery code list was developed to enable correct assignment of obstetrics records indicating vaginal delivery to MS-DRGs 774 and 775 Vaginal Delivery

Updating the ICD-10 MS-DRGs to version 28.0
The same process used for the interim update of ICD-10 MS-DRGs from version 26.0 to version 27.0 will be followed in updating ICD-10 MS-DRGs to version 28.0. The update process is as follows:
- The 2011 version GEMs are used to translate the approximately 500 ICD-9-CM code lists comprising the MS-DRGs to comparable lists of ICD-10-CM/PCS codes
- Initial tests ensure that all ICD-10-CM codes are assigned to an MDC and all ICD-10-PCS codes are represented in the logic
- The draft converted lists are analyzed for issues, (e.g., list assignment conflicts, necessary ICD-10-PCS clusters) and all issues are resolved
- The converted lists receive additional clinical review as needed

Version 28.0 ICD-10 MS-DRG Update Timeline

Date	Event
August 2010	Version 28.0 ICD-9-CM MS-DRGs published in FY 2011 final rule
October 2010	2011 update of ICD-10-PCS posted
January 2011	2011 update of ICD-10-CM and diagnosis and procedure GEMs posted
February 2011	Version 28.0 ICD-10 MS-DRGs definitions manual posted
March 2011	V28.0 ICD-10 grouper release