



3M™ APR DRG Classification System, Version 25 for payers

- Automatically classifies patients into clinically meaningful base groups, each with four levels of severity and four levels of mortality
- Helps provide an accurate, consistent, and cost-effective means of comparing providers and performance
- Enables a payer to qualify patient mix based on severity-of-illness and risk-of-mortality
- May be used as the basis of a payment system, quality assessment, or pay for performance

The challenge

Delivering quality health care today means continually processing and analyzing huge volumes of new data. What this data says about your organization is more important than ever before, because providers, regulators, payers, and consumers are all using some form of comparative reports (e.g., “report cards”) to evaluate the healthcare marketplace. You need to see how your organization delivers data that addresses patient outcomes, resource utilization, and quality measures.

Merging quality with reimbursement

Pay for performance is becoming a reality. For payers like yourself, this industry shift can impact your reputation and bottom line. Adapting to a pay-for-performance environment demands the capture of accurate data to reflect the true condition of a patient, the diagnoses, and the procedures performed.

With more than a decade of experience in developing and refining severity- and risk-adjustment systems and solutions, 3M Health Information Systems demonstrates its expertise through the widely used 3M APR DRG Classification System. This methodology assigns a base DRG and severity-of-illness and risk-of-mortality sub-classes using information available from standard billing forms (i.e., diagnoses, procedures, age, sex, and discharge status). Using a standard data source makes it a cost-effective means of valid and reliable severity and risk adjustment. Applications for severity- and risk-adjusted data include:

- Quality and cost improvement
- Prospective reimbursement
- Comparative profiling
- Clinical and operational redesign and improvement
- Documentation and coding improvement
- Strategic planning
- Resource need evaluation
- Provider negotiation for reimbursement matching case mix complexity

A classification system for all patients

3M™ APR DRGs provide a comprehensive view of a patient population. They are a highly enhanced extension of the basic DRG concept developed by the 3M Clinical Research Group, the National Association of Children’s Hospitals and Research Institutes (NACHRI), and several physician groups.



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While DRGs focus on the Medicare population, 3M™ APR DRGs describe a complete cross-section of acute-care patients and are specifically designed to adjust data for severity of illness (“How sick is the patient?”) and risk of mortality (“How likely is it the patient will die?”).

The fundamental principle of 3M APR DRGs is that severity of illness and risk of mortality both depend on the patient’s underlying condition. High severity of illness and risk of mortality are characterized by multiple serious diseases and the interactions between disorders.

Why is 3M the vendor of choice?

The 3M™ APR DRG Software is the most widely used severity-of-illness and risk-of-mortality adjustment tool available today. It is the standard for adjusting large volumes of data to account for differences related to the individual’s severity of illness or risk of mortality. As a result, the focus can be on the differences in clinical care, thus providing equitable comparisons of quality. 3M APR DRGs are also recognized as the tool of choice used by commissions and state agencies to disseminate comparative performance data to regulators, providers, payers, and the general public. 3M APR DRGs are cost-effective because they use readily available data, which helps organizations avoid additional and expensive data collection outside of the normal coding process.

Features and benefits

3M now offers annual version updates to 3M APR DRGs. The updates involve the testing of new diagnosis and procedure codes. Since the 1990s when 3M APR DRGs were first developed, there have been many areas where hospitalization rates have decreased. This is examined carefully. In each subsequent update of the classification system there have been further consolidations for low-volume 3M APR DRG categories for both medical and surgical patients. The following are some of the recent enhancements:

- Revised descriptions for 3M APR DRGs 004 and 005
- New ICD-9-CM codes as of Oct. 1, 2007

- Modification of MDC 15 inclusion criteria, including:
 - Age at admission of 8-14 days and specific perinatal problems
 - Expanded 3M APR DRG assignment with codes previously restricted to MDC 15 and 3M APR DRG 95
- Expansion of 3M APR DRG 956 (Ungroupable) logic
- Enhancement to Step 18 hierarchy for SOI and ROM
- Updated clinical logic to reflect the current healthcare environment and common practices
- Relative weights to:
 - Enable comparison of multiple patient groups to identify highest overall severity of illness or risk of mortality
 - Provide the infrastructure for using 3M APR DRG technology as a payment methodology
 - Improve ease of use for cost and utilization analysis
- Affect flags for severity of illness and risk of mortality at each diagnosis, and the procedure code is flagged to indicate whether the code impacts severity of illness, risk of mortality, both, or neither. The flag also allows reordering of codes as needed, especially when sending truncated ICD-9 data for reporting.
- Exposed level field for each secondary diagnosis. The software shows the specific subclass of each diagnosis code, allowing a payer to see specifically how coding impacts severity and risk-of-mortality assignment.
- Re-sequencing of ICD-9 codes. This allows those codes with the most impact on severity of illness and risk-of-mortality assignment to appear at the beginning of the list, allowing the most appropriate codes to be sent in truncated data sets.

Call today

For more information on how 3M solutions can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at **www.3Mhis.com**.



Health Information Systems

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