

3M™ APR DRG Software Versions 20 and 24

SOLUTIONS TO MEET YOUR ORGANIZATION'S QUALITY IMPROVEMENT AND REPORTING NEEDS

PRODUCT OVERVIEW

Automatically classifies patients into clinically meaningful groups

Helps provide an accurate, consistent, and cost-effective means of comparing providers and performance

Enables an organization to receive credit for its severity-of-illness and risk-of-mortality patient mix

Whether your organization is a small rural hospital or a large urban trauma center, delivering quality health care today means continually processing and analyzing huge volumes of new data. What your 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 is performing in patient outcomes, resource utilization, and quality measures, and you need to make sure the comparisons between you and the competition are done fairly.

MERGING QUALITY WITH REIMBURSEMENT

Pay for performance is becoming a reality. For healthcare providers 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** projects 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 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.

There are many applications for severity- and risk-adjusted data, including:

- Quality and cost improvement
- Prospective reimbursement
- Comparative profiling
- Clinical and operational redesign and improvement
- Documentation and coding improvement
- Strategic planning
- Resource need evaluation
- Payer negotiation for reimbursement that matches the complexity of your case mix

The 3M™ APR DRG methodology automatically classifies patients into clinically meaningful groups, then divides them into four severity-of-illness and four risk-of-mortality subclasses within each 3M APR DRG for planning and analysis.

By adjusting patient discharge data for these important differences, 3M APR DRGs help provide the accurate, consistent, and cost-effective adjusted data needed to compare providers and performance.

A CLASSIFICATION SYSTEM FOR ALL PATIENTS

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

A CLASSIFICATION SYSTEM AVAILABLE NOW

Both versions 20 and 24 of the 3M™ APR DRG Software are available in several 3M products, including:

- 3M™ Coding and Reimbursement System
- 3M™ Core Grouping Software
- 3M™ Grouper Plus System
- 3M's standalone mainframe (z/OS®) grouping software

3M also offers the **3M™ Benchmarking Software**, an integrated severity- and risk-adjusted benchmarking tool for reporting an organization's quality of care. This tool provides both high-level reporting by service line plus drill-down to more detailed levels. Financial data sets can be integrated with clinical information for powerful reporting on and tracking of continuous quality and operational improvements.



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3M APR DRG SOFTWARE FEATURES: VERSIONS 20 AND 24

Both Version 20 (released in 2003) and Version 24 (released in 2006) share these features and benefits:

- *Updated clinical logic*—updates reflect the current healthcare environment and common practices.
- *Relative weights*—the added relative weights:
 - Allow evaluation of relative complexity across 3M APR DRGs
 - Enable comparison of multiple patient groups to identify highest overall severity 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 flag for severity of illness and risk of mortality*—each diagnosis and procedure code is flagged to reflect whether the code impacts severity of illness, risk of mortality, both, or neither. Identifying these codes results in improved accuracy of severity and risk-of-mortality assignment through accurate coding, and offers a better reflection of a hospital's patient mix complexity in comparisons. 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 the HIM staff to see specifically how coding impacts severity and risk-of-mortality assignment.
- *Re-sequencing*—users can re-sequence ICD-9 codes so those with the most impact on severity and risk-of-mortality assignment appear at the beginning of the list, allowing the most appropriate codes to be sent in truncated data sets.

3M APR DRG SOFTWARE FEATURES: VERSION 24

- Changes to code assignments and underlying logic for APR DRGs 001 and 004
- New ICD-9-CM codes as of October 1, 2006
- Modifications to discharge status codes
- Updates to the severity-of-illness and risk-of-mortality logic
- New relative weights and trim points
- Modifications to birthweight logic
- Removal of E-code affect for severity of illness and risk of mortality

To help identify opportunities for improving coding and documentation, **3M Consulting Services** offers various services that can help capture more accurate DRG and 3M APR DRG assignment, appropriate reimbursement, correct hospital and physician profiles, and regulatory compliance.

PROVEN EXPERTISE AND COMPREHENSIVE SOLUTIONS

3M Health Information Systems has been pioneering patient classification systems for decades. To learn more about 3M APR DRG solutions, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us on the Web at www.3Mhis.com. •

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