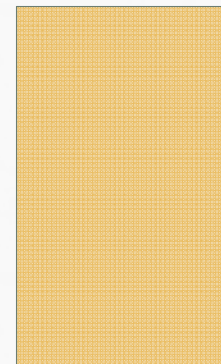


OVERVIEW OF THE FY 2017 IPPS FINAL RULE

SUMMARY OF CODING ELEMENTS



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Rule to take effect October 1st

MS-DRG CHANGES

- Two procedure codes were omitted from MS-DRGs 001 and 002 (Heart Transplant)
 - 02RKOJZ and 02RLOJZ (Biventricular heart replacements)
- Mechanical complications of the nervous system including devices, implants, grafts, implanted electronic neurostimulator of the brain will be moved from MS-DRGS 919-921 (Complications of Treatment) to MS-DRG 91-93 (Other Disorders of the Nervous System)

FY 2016	FY 2017	RW Change
919 (1.7611)	091 (1.5764)	(0.1847)
920 (0.9991)	092 (0.9201)	(0.0690)
921 (0.6960)	093 (0.7064)	(0.0104)

MS-DRG CHANGES

- MS-DRGs 606-607 (Minor Skin Disorders): Diagnosis code R22.2 (Localized swelling, trunk) moved from MDC 4 (Respiratory) to MDC 9 (Skin, Subcutaneous Tissue, and Breast)
- Procedure codes 06CV3ZZ and 06CY3zz moved from DRGs 268 and 269 (Aortic and Heart Assist Procedures Except Pulsation Balloon) to 270, 271, and 272 (Other Major Cardiovascular Procedures)

FY 2016	FY 2017	RW Change
268 (6.2067)	270 (4.7589)	(1.4498)
269 (3.9041)	271 (3.1272)	(0.7769)
	272 (2.3120)	(1.5921)

MS-DRG CHANGES

- MS-DRGs 242-244 (Permanent Cardiac Pacemaker Implant) added procedures that were missed due to replication error
- Update to logic for pacemakers
 - Insertion requires an inserting a generator and lead(s)
 - Replacement requires insertion of a generator
 - Revision requires codes from insertion, removal, revision, or insertion of hemodynamic devices
- Updated ICD-10-PCS code titles for these procedures

MS-DRG CHANGES

- MS-DRG 228-229 (Other Cardiothoracic Procedures)
 - Delete MS-DRG 230 (Other Cardiothoracic Procedures) from FY 2016

FY 2016	FY 2017	RW Change
228 (6.9512)	228 (7.0869)	0.1357
229 (4.5589)	229 (4.7459)	0.1870
230 (4.3018)	Deleted	
273 (3.5499)		3.5370
274 (2.4197)		2.3262

- MitraClip (02UG3JZ) will be reassigned from 273/274 (Percutaneous Intracardiac Procedures) to 228/229 (Other Cardiothoracic Procedures)

MS-DRG CHANGES

- MS-DRGs 270-272 (Other Major Cardiothoracic Procedures)
 - Reclassify the bypass of the portal vein to lower vein with transluminal device, percutaneous approach (06183DY) from 270-272 to MS-DRGs 405-407 (Pancreas, Liver & Shunt Procedures)
 - Also known as TIPS procedure

FY 2016	FY 2017	RW Change
270 (4.7349)	405 (5.4464)	0.7155
271 (3.1426)	406 (2.7825)	(0.3601)
272 (2.2508)	407 (2.0118)	(0.2390)

MS-DRG CHANGES

- MS-DRGs 347-349 (Anal and Stomal Procedures)
 - Excision of duodenum and ileum are moved from MS-DRGs 347-349 (Anal and stomal procedures) to MS-DRGs 329-331 (Major small and large bowel procedures)

FY 2016	FY 2017	RW Changes
347 (2.4457)	329 (4.9612)	2.5155
348 (1.4486)	330 (2.5405)	1.0919
349 (0.9265)	331 (1.6623)	0.6658

MS-DRG CHANGES

- MS-DRGs 466-468 (Revision of Hip/Knee Replacements)
 - Removal of spacer and replacement of joint procedures added to the methodology
 - There were 58 combinations added due to replication error

FY 2016	FY 2017	RW Changes
466 (5.0394)	466 (5.0249)	(0.0145)
467 (3.4376)	467 (3.4412)	0.0036
468 (2.7513)	468 (2.7936)	0.0423

- MS-DRG 885 (Organic Disturbances and Mental Retardation) title will change to Organic Disturbances and intellectual Disabilities

MS-DRG CHANGES

- MS-DRGs 456-458 (Spinal Fusion Except Cervical)
 - The following diagnoses will be removed from the secondary diagnosis list from MS-DRGs 456-458
 - M40.50 (Lordosis, unspecified, unspecified site)
 - M40.55 (Lordosis, unspecified, thoracolumbar)
 - M40.56 (Lordosis, unspecified, lumbar)
 - M40.57 (Lordosis, unspecified, lumbosacral)
- MS-DRGs 332-334 (Rectal Resection); 734-735 (Pelvic Evisceration)
 - Procedure clusters for the resection of bladder, urethra, bilateral ovaries, bilateral fallopian tubes, uterus, cervix, and vagina will be removed from MDC 6 (Digestive System), MS-DRGs 332-334 (Rectal Resection)
 - These clusters will be maintained in MDC 13 (Female Reproductive System), MS-DRGs 734-735 (Pelvic Evisceration, Rad Hysterectomy & Rad Vulvectomy)

MS-DRG CHANGES

- **Collapse** coding for MS-DRGs 228-230 (Other Cardiothoracic Procedures) from three severity levels to two
- **Modify** title of MS-DRG 229 to reflect a “without MCC” designation
 - *If finalized, delete* codes 02UG3JZ and 35.97 from Percutaneous Transluminal Coronary Artery (PTCA) list in MS-DRGs 231-232 (Coronary Bypass w/ PTCA)

MS-DRG REPLICATION ISSUES

- Angioplasty of extracranial vessel
 - 41 codes with open approach grouped to 981-983 (Extensive O.R. Procedure Unrelated to Principal Diagnosis) and should have grouped 037-039 (Extracranial Procedures)

FY 2016	FY 2017	RW Change
981 (4.8532)	037 (3.0795)	(1.7737)
982 (2.7416)	038 (1.5762)	(0.8398)
983 (1.7615)	039 (1.0818)	(0.6797)

- Excision of abdominal arteries (38.86)
 - 34 codes (aneurysmectomy) in V33 were assigned to 981-983. MDC 5 (Circulatory) replication was appropriate, but these codes should have been added to MDCs 6 (Digestive), 11 (Kidney and Urinary Tract), 21 (Injury and Poisoning), 24 (Multiple Significant Trauma)

MS-DRG REPLICATION ISSUES

- Excision of retroperitoneal tissue (54.4)
 - Codes 0WBH0ZZ, 0WBH3ZZ, and 0WBH4ZZ were assigned to 981-983 (Extensive O.R. Procedure Unrelated to Principal Diagnosis), but should have been assigned to 356-358 (Other Digestive System O.R. Procedures)

FY 2016	FY 2017	RW Change
981 (4.8532)	356 (3.8503)	(1.0029)
982 (2.716)	357 (2.0749)	(0.6667)
983 (1.7615)	358 (1.3550)	(0.4065)

- Procedure on Vascular Bodies- Chemoreceptors (39.89)
 - 234 procedure codes omitted from MS-DRG 252-254 (Other Vascular Procedures)

MS-DRG REPLICATION ISSUES

- Occlusion of Esophageal Varices (42.91)

- Codes 06L30CZ and 06L30DZ should have been assigned to 423-425 (Other Hepatobiliary or Pancreas O.R. Procedures) were assigned to 981-983 (Extensive O.R. Procedure Unrelated to Principal Diagnosis)

FY 2016	FY 2017	RW Change
981 (4.8532)	423 (4.4817)	(0.3715)
982 (2.716)	424 (2.3553)	(0.3863)
983 (1.7615)	425 (1.5207)	(0.2408)

- Repair of Intestine (46.79)

- Procedure codes 0DQF0ZZ, 0DQG0ZZ, 0DQL0ZZ, and 0DQM0ZZ omitted from MS-DRGs 329-331 (Major Small & Large Bowel Procedure)

MS-DRG REPLICATION ISSUES

- Obstetric laceration repair

- Multiple ICD-10-PCS codes were assigned to 987-989 (Non-Extensive O.R. Procedure Unrelated to Principal Diagnosis), but should have been assigned to 774 (Vaginal Delivery w/ Complicating Diagnosis)

FY 2016	FY 2017	RW Change
987 (3.2123)	774 (0.7962)	(2.4161)
988 (1.7533)		(0.9571)
989 (1.0425)		(0.2463)

- Procedures on Breast (86.59)

- Codes 0HQVXZZ AND 0HQYXZZ (assigned to MS-DRGs 981-983: Extensive O.R. Procedure Unrelated to Principal Diagnosis) are not longer OR procedures

MS-DRG REPLICATION ISSUES

- Excision of Vulva (71.3)
 - Code 0UBMXZZ was assigned to 981-983 (Extensive O.R. Procedure Unrelated to Principal Diagnosis), but should have been assigned to 746-747 (Vagina, Cervix & Vulva Procedures)

FY 2016	FY 2017	RW Change
981 (4.8532)	746 (4.4817)	(3.3782)
982 (2.7416)		(1.2666)
983 (1.7615)	747 (2.3553)	(0.8251)

- Shoulder Replacement (78.42)
 - Codes OPRCOJZ AND OPRDOJZ were omitted from MS-DRGs 492-494 (Lower Extremity and Humerus Proc Except Hip, Foot, and Femur)

MS-DRG REPLICATION ISSUES

- Lymph node biopsy (40.11)

- Codes 07B74ZX, 07B70ZX, and 07B73ZX were assigned to 987-989 (Non-Extensive O.R. Procedure Unrelated to Principle Diagnosis), but should have been assigned to 166-168 (Other Resp System O.R. Procedures)

FY 2016	FY 2017	RW Change
987 (3.2123)	166 (3.5562)	(0.3439)
988 (1.7533)	167 (1.9550)	(0.2017)
989 (1.0425)	168 (1.3359)	(0.2924)

- Reposition (81.66)

- Codes 0PRC0JZ, 0PS43ZZ, 0QS02ZZ, AND 0QS13ZZ were omitted from MS-DRGs 515-517 (Other Musculoskeletal System & Connective Tissue O.R. Procedure)

MS-DRG REPLICATION ISSUES

- Excision of Subcutaneous Tissue and Fascia (86.3)
 - 19 codes were omitted from MS-DRGs 579-581 (Other Skin and Subcutaneous Tissue and Breast Procedures)
- Insertion of Infusion Pump (86.06)
 - 16 codes now added as OR procedures
- Procedures on Bursa
 - Codes 0M850ZZ, 0M853ZZ, 0M854ZZ, 0M860ZZ, 0M863ZZ, and 0M864ZZ omitted from MS-DRGs 500-502 (Soft Tissue Procedures)

MS-DRG REPLICATION ISSUES

- Bladder Neck Repair (57.89)
 - Codes 0TQC0ZZ, 0TQC3ZZ, 0TQC4ZZ, 0TQC7ZZ, 0TQC8ZZ were omitted
 - MDC 11 (Kidney)– MS-DRGs 653-655 (Major Bladder Procedures)
 - MDC 13 (Female Reproductive) – MS-DRGs 749-750 (Other Female Reproductive System O.R. Procedures)
- Ungroupable Diagnosis (674.32)
 - Diagnosis code O90.2 will be assigned to MS-DRGs 769-776 (Postpartum & Post Abortion Diagnoses) and not MS-DRG 999 (Ungroupable)

MS-DRG REPLICATION ISSUES

- Drainage of Pleural Cavity (34.06)
 - Codes 0W9940Z, 0W994ZZ, 0W9B40Z, and 0W9B4ZZ were not recognized as OR procedures
 - Codes will be added to MS-DRGs 166-168 (Other Resp System O.R. Procedures)
- Drainage of Cerebral Ventricle (02.22)
 - 18 codes were not recognized as procedures
 - These codes will be added to MS-DRGs 023-027 (Cranio w/ Major Dev Impl/Acute Complex CNS PDX)
- Insertion of Infusion Device (86.06)
 - 49 codes for insertion of infusion device into a joint or disc were omitted from the grouper logic

MEDICARE CODE EDITOR

- Non-covered Procedures
 - Radical Prostatectomy– procedures on vas deferens will be removed when principal or secondary diagnosis is without Z30.2 (Encounter for sterilization)
- Unacceptable Principal Diagnosis
 - Liveborn infant – Z38.4 and Z38.7 to be removed
 - High risk pregnancy – supervision of elderly primi/multigravida were not removed
 - However, there is an update for category O09
 - Multiple gestation – remove codes regarding multiple gestation and amniotic sac/cords
- Procedures Not Covered
 - Replication error with 00.62– Endovascular Mechanical Thrombectomy
 - 03CG3ZZ, 03CG4ZZ, 05CL3ZZ, 05CL4ZZ removed

MEDICARE CODE EDITOR

- Newborn definition changed to Perinatal/NB Age=0 to Age <28 days from Age=0
- Pediatric Diagnosis (Age 0 – 17)
 - 12 codes removed from range F90 – F98
 - H26 (infantile or juvenile cataract) added
 - BMI codes removed due to age conflict (2 – 20) associated with codes
 - R62.50 and R62.59 (Development in childhood) removed
 - Y93.6A (Activity, physical games typically associated with recess) removed
- Female Codes
 - Z79.890 (Hormone replacement) removed
 - Z44.30 – Z44.32 (Fitting/adj – breast prosthesis) removed
 - Z45.811 – Z45.819 (adj/removal – breast implants) removed

MEDICARE CODE EDITOR

- Procedure Inconsistent with LOS
 - PCS code 5A1955Z only coded when LOS is >4 *consecutive* days
 - Title of MS-DRG 208 revised to Respiratory System Diagnosis with Vent Support <=96 Hours
- Maternity Diagnosis Codes
 - The following codes have been added to age conflict with maternity diagnosis: C58 (Malignancy of placenta), D39.2 (Neoplasm of uncertain behavior of placenta), and F53 (Puerperal psychosis)
- Manifestation Codes Not Allowed as PDx
 - All diagnoses from subcategory M02.8 (Other reactive arthropathies) have been added to this edit

MEDICARE CODE EDITOR

- Removal of Questionable Admissions
 - T81.81XA (Complication of inhalation therapy)
 - T88.4XXA (Failed or difficult intubation)
 - T88.7XXA (Unspecified drug adverse effect)
 - T88.8XXA (Other specified complications of medical care)
 - T88.9XXA (Complication of medical/surgical care, unspecified)

ICD-10 CONVERSION

- Ending “code freeze” , resuming annual updates to ICD-10 Coding sets
- 1900 new ICD-10-CM diagnosis and nearly 3650 new ICD-10-PCS procedure codes are expected to be implemented October 1, 2016.
- More information available in the appendix.

ICD-10 CHANGES

- **Assign** the following ICD-10 codes to different MS-DRGs
 - ICD-10-PCS code clusters 02RK0JZ and 02RL0JZ to MS-DRG 001-002 (Heart Transplant or Implant of Heart Assist System)
 - ICD-10-CM codes T85.610A, T85.620A, T85.630A, T85.690A to MS-DRGs 091-093 (Other Disorders of Nervous System)
 - ICD-10-CM code R22.2 to MS-DRGs 606-607 under MDC 9
 - ICD-10-PCS codes 0JH602Z, 0JH632Z, 0JWT02Z, and 0JWT32Z to MS-DRGs 040-042 (Periph/Cranial Nerve & Other Nerv System Procedures), 260-262 (Cardiac Pacemaker Revision Except Device Replacement), 579-581 (Other Skin, Subcut Tiss & Breast Procedure), 907-909 (, 957-959
 - ICD-10-PCS codes for endovascular thrombectomy of lower limbs to MS-DRGs 270-272
 - ICD-9-CM code 35.97 and ICD-10-PCS code 02UG3JZ from MS-DRGs 273-274 to MS-DRGs 228-229

ICD-10 CHANGES

- **Assign** the following ICD-10 codes to different MS-DRGs

Code	New MS-DRG
ICD-10-PSC code clusters 02RK0JZ and 02RLOJZ	MS-DRG 001-002 (Heart Transplant or Implant of Heart Assist System)
ICD-10-CM codes T85.610A, T85.620A, T85.630A, T85.690A	MS-DRGs 091-093 (Other Disorders of Nervous System)
ICD-10-CM code R22.2	MS-DRGs 606-607 (Minor Skin Disorders) under MDC 9
ICD-10-PCS codes 0JH602Z, 0JH632Z, 0JWT02Z, and 0JWT32Z	MS-DRGs 040-042 (Periph/Cranial Nerve & Other Nerv System Procedures), 260-262 (Cardiac Pacemaker Revision Except Device Replacement), 579-581 (Other Skin, Subcut Tiss & Breast Procedure), 907-909 (Other O.R. Procedures for Injuries), 957-959 (Other O.R. Procedures for Multiple Significant Trauma)
ICD-10-PCS codes for endovascular thrombectomy of lower limbs	MS-DRGs 270-272 (Other Major Cardiovascular Procedures)
ICD-9-CM code 35.97 and ICD-10-PCS code 02UG3JZ	MS-DRGs 228-229 (Other Cardiothoracic procedures) from MS-DRGs 273-274 (Percutaneous Intracardiac Procedures)

ICD-10 CHANGES

- **Simplify** ICD-10 MS-DRG/Grouper logic
 - Assignment to MS-DRG 242-243 (Permanent Cardiac Pacemaker Implant): ICD-10-PCS procedure codes involving pacemaker devices reported with certain ICD-10-PCS procedure codes involving pacemaker leads
 - Assignment to MS-DRG 258-259 (Cardiac Pacemaker Device Replacement): ICD-10-PCS procedure codes involving pacemaker device insertions that are reported without any other pacemaker device procedure code
 - Assignment to MS-DRG 260-261 (Cardiac Pacemaker Revision Except Device Replacement): ICD-10-PCS procedure codes involving pacemaker lead insertion, removal, or revisions and insertion of hemodynamic devices without any other device insertion codes

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PERFORMANCE INSIGHT

APPENDIX

CMS FY 2017 TABLES 6A – 6M.1

LIST OF NEW DIAGNOSIS AND PROCEDURE CODES, INVALID CODES, CC EXCLUSIONS, MCC AND CC

Click [here](#) for document

TABLE 6A. - NEW DIAGNOSIS CODES					
Diagnosis Code	Description	CC	PMCC/ PCC	MDC	MS-DRG
C49.A0	Gastrointestinal stromal tumor, unspecified site	CC	N	08	542,543,544
C49.A1	Gastrointestinal stromal tumor of esophagus	CC	N	08	542,543,544
C49.A2	Gastrointestinal stromal tumor of stomach	CC	N	06	374,375,376
C49.A3	Gastrointestinal stromal tumor of small intestine	CC	N	08	542,543,544
C49.A4	Gastrointestinal stromal tumor of large intestine	CC	N	08	542,543,544
C49.A5	Gastrointestinal stromal tumor of rectum	CC	N	08	542,543,544
C49.A9	Gastrointestinal stromal tumor of other sites	CC	N	08	542,543,544
D49.511	Neoplasm of unspecified behavior of right kidney	N	N	11	656,657,658,659,660,661
D49.512	Neoplasm of unspecified behavior of left kidney	N	N	11	656,657,658,659,660,661
D49.519	Neoplasm of unspecified behavior of unspecified kidney	N	N	11	656,657,658,659,660,661
D49.59	Neoplasm unspecified behavior of other genitourinary organ	N	N	11	656,657,658,659,660,661
D78.31	Postprocedural hematoma of the spleen following a procedure on the spleen	CC	N	21	919,920,921
D78.32	Postprocedural hematoma of the spleen following other procedure	CC	N	21	919,920,921
E08.3211	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3212	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3213	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3219	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3291	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3292	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125
E08.3293	Diabetes mellitus due to underlying condition with mild nonproliferative diabetes	N	N	PRE 02	008,010,124,125