Australian Refined Diagnosis Related Groups

The Australian Refined Diagnosis Related Groups (AR-DRGs) is a classification system that provides a clinically meaningful way to relate or group the number and type of patients treated in a hospital to the resources required by the hospital.

AR-DRGs use diagnoses and interventions with other routinely collected data to classify admitted patient episodes.

**Uses for AR-DRGs**

- Calculating public hospital funding on an activity basis
- Health service planning
- Benchmarking
- Epidemiology and research
- Facilitating payment in the private healthcare sector
- Monitoring the quality of healthcare and patient safety

**How do they work?**

1. Demographic and clinical edits assess the validity of variables
2. Episodes are assigned to a Major Diagnostic Category (MDC) based on the principal diagnosis
3. Pre MDC processing identifies high-cost episodes and changes MDC assignment based on other variables
4. Episodes are assigned to Adjacent DRGs (ADRGs) mainly based on diagnoses and interventions
5. Episodes are assigned to DRGs mainly based on the Episode Clinical Complexity Score (ECCS). The ECCS is derived from the Diagnosis Complexity Levels (DCLs) of diagnoses in an episode

**Types of Diagnosis Related Groups (DRGs)**

<table>
<thead>
<tr>
<th>DRG type:</th>
<th>Pre MDC</th>
<th>No splits</th>
<th>Split on complexity</th>
<th>Split on other variables</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRGs in Version 10.0:</td>
<td>9 DRGs</td>
<td>82 DRGs</td>
<td>695 DRGs</td>
<td>9 DRGs</td>
</tr>
<tr>
<td>Description:</td>
<td>High-cost episodes</td>
<td>DRG is assigned without the use of complexity score</td>
<td>DRG is assigned using a complexity score</td>
<td>DRGs using variables such as transfer status and length of stay</td>
</tr>
<tr>
<td>Example:</td>
<td>A13A Ventilation ≥ 336 hours, Major Complexity</td>
<td>L61Z Haemodialysis</td>
<td>G02B Major Small and Large Bowel Interventions, Intermediate Complexity</td>
<td>B70D Stroke and Other Cerebrovascular Disorders, Transferred &lt;5 Days</td>
</tr>
</tbody>
</table>
Changes for AR-DRG Version 10.0

The development process for AR-DRG Version 10.0 has used clinical input, statistical analysis and extensive consultation with jurisdictions and other health sector stakeholders.

A major focus for this version was to review the complexity model and its overall stability.

Exclusion review

Clinical review expanded the principles for exclusion of diagnosis codes from the complexity model in AR-DRG Version 10.0. This review reduced the number of codes in-scope for complexity. All excluded codes receive a Diagnosis Complexity Level (DCL) value of zero.

Nephrolithiasis interventions

<table>
<thead>
<tr>
<th>Deleted ADRGs V9.0</th>
<th>New ADRG V10.0</th>
</tr>
</thead>
<tbody>
<tr>
<td>L40 Ureteroscopy</td>
<td>L43 Nephrolithiasis Interventions</td>
</tr>
<tr>
<td>L41 Cystourethroscopy for Urinary Disorder, Sameday</td>
<td>L44 Cystourethroscopy for Urinary Disorder</td>
</tr>
<tr>
<td>L42 ESW Lithotripsy</td>
<td></td>
</tr>
</tbody>
</table>

Removal of Z60 ADRG

Z60 Rehabilitation

Changes to the Australian Coding Standards in Ninth Edition resulted in this ADRG being redundant.

Stability review

The final report for AR-DRG Version 10.0 outlines the measures taken to increase the stability of this version.

Liver procurement from a living donor

Osseointegration interventions

Number of Adjacent Diagnosis Related Groups (ADRGs)

- 399 in V9.0
- 397 in V10.0

Number of Diagnosis Related Groups (DRGs)

- 803 in V9.0
- 795 in V10.0

Codes with a DCL value

- 12,559 in V9.0
- 11,048 in V10.0