

**TITLE:** Reviewing Activity Based Funding outcomes at the time of coding

## **Introduction**

The coding tool used by coders across most hospitals in Australia provides coding, DRG assignment, coding edits and calculation of estimated reimbursement for episodes of acute care in public hospitals. Hence the coder is reviewing the DRG assignment and funding outcome as they code. Estimated reimbursement is based on calculation of National Weight Activity Units (NWAU) and the results are sometimes unexpected.

## **Methods**

Summary of coders' steps at time of code assignment, excluding Clinical Documentation Improvement activities:

- Assign codes
- Resolve edits
- Reconcile DRG assignment
- Evaluate estimated reimbursement – Sometimes performed retrospectively during so called optimisation auditing
- Evaluate HAC assignment
- Verify unexpected reimbursement using calculator
- Seek validation as required

## **Results**

The vast majority of episodes coded result in “expected” reimbursement outcomes. These are the common causes of unexpected NWAU results reported:

- **Missing data example:** Newborn episode: If the number of qualified days is missing, the NWAU value calculated will be zero because the Qualified days is used as length of stay for newborns. Qualified days is also used in identifying hospital acquired complications.

DRG P68B inlier weight = 1.3656 where qualified days = 1-11 days

If baby develops a heel pressure injury that's a hospital acquired complication which attracts a funding reduction.

- **Incorrectly mapped data:** Incorrectly mapped funding source data. The hospital system for patient admitted data often uses different values for data. These values are mapped for the purpose of sending to Codefinder, and often for the national data collection. Values are mapped to national values used for NWAU.
- **Not understanding the NWAU calculation:**

1. Private patient with Hospital Acquired Complication (HAC). The NWAU can be zero due to the funding reductions applied for HACs and private patients.

Sampe calculation showing simplified formula:

$$\text{NWAU} = \text{weight} - (1 - \text{private patient service adjustment}) - (\text{LOS} \times \text{private pt accommodation adjustment}) - \text{weight} \times \text{HAC adjustment rate}$$

$$\text{NWAU} = .3333 - (1 - .0603) - (5 \times .3090) - .3333 \times 1300$$

$$\text{NWAU} = 0$$

2. Adding a diagnosis code can shift the DRG to a more complex DRG and this can result in less funding when the patient has been in ICU because of the different boundary points for each DRG.

Consider ADRG E40 Respiratory System Disorders with ventilator support. The addition of code B370 Stomatitis changes the DRG from E40B to E40A. Being more complex it might be reasonable to expect that the NWAU, and therefore the reimbursement might be greater.

Not always. The more complex DRG E40A has a lower boundary of 2 days. Because ICU hours are funded with an adjustment, the ICU hours are subtracted from the LOS for the calculation, hence the LOS in this example becomes 1 because there were 280 ICU hours.

## Discussion

- Visibility of the estimated NWAU at the time of coding leads to inevitable questions when the result is unexpected
- Scrutiny of the NWAU contributes to data integrity and ensures the hospital receives the funding they are entitled to
- Most often NWAU is not wrong; it's unexpected