



Reimbursement Policy

Subject: Diagnoses Used in DRG Computation

Effective Date:
04/15/13

Committee Approval Obtained:
10/08/20

Section:
Coding

*****The most current version of the reimbursement policies can be found on our provider website. If you are using a printed version of this policy, please verify the information by going to <https://providers.amerigroup.com/TX>. Note: State-specific exemptions may apply. Please refer to the Exemptions section below for specific exemptions based on your state.*****

These policies serve as a guide to assist you in accurate claim submissions and to outline the basis for reimbursement if the service is covered by a member's Amerigroup benefit plan. The determination that a service, procedure, item, etc. is covered under a member's benefit plan is not a determination that you will be reimbursed. Services must meet authorization and medical necessity guidelines appropriate to the procedure and diagnosis as well as to the member's state of residence. You must follow proper billing and submission guidelines. You are required to use industry standard, compliant codes on all claim submissions. Services should be billed with CPT® codes, HCPCS codes and/or revenue codes. The codes denote the services and/or procedures performed. The billed code(s) are required to be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our policies apply to both participating and nonparticipating providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Amerigroup may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.

Amerigroup reimbursement policies are developed based on nationally accepted industry standards and coding principles. These policies may be superseded by mandates in provider, state, federal or CMS contracts and/or requirements. System logic or setup may prevent the loading of policies into the claims platforms in the same manner as described; however, Amerigroup strives to minimize these variations.

Amerigroup reserves the right to review and revise our policies periodically when necessary. When there is an update, we will publish the most current policy to this site.

Policy

Amerigroup ensures that the diagnosis and procedure codes that generate the Diagnosis-Related Groups (DRGs) are accurate, valid and sequenced in accordance with national coding standards and specified guidelines unless provider, state, federal or CMS contracts and/or requirements indicate otherwise.

	<p>Amerigroup performs DRG audits to determine that the diagnostic and procedural information that led to the DRG assignment is substantiated by the medical record. The audits utilize coding criteria to limit the billed diagnosis used in DRG computation to the following: those that are relevant to the patient’s care; those that impact the patient’s outcome, treatment, intensity of service or length of stay; and those that are supported by documentation within the medical record.</p> <p>Amerigroup routinely monitors DRG billing patterns to ensure that hospitals perform fair and equitable coding and utilization.</p>
History	<ul style="list-style-type: none"> • Biennial review approved 10/08/20: related policies updated • Biennial review approved 11/16/18: policy template updated • Biennial review approved 10/03/16: policy template updated • Biennial review approved 08/18/14: hospital invoice language removed • Review approved 09/09/13 with effective date 04/15/13: Disclaimer updated • Initial approval 07/16/12 and effective 04/15/13
References and Research Materials	<p>This policy has been developed through consideration of the following:</p> <ul style="list-style-type: none"> • CMS • State Medicaid • Amerigroup state contracts • American Medical Association
Definitions	<ul style="list-style-type: none"> • Diagnosis-Related Groups (DRGs): a patient classification method which provides a means of relating the type of patients a hospital treats to the costs incurred by the hospital • General Reimbursement Policy Definitions
Related Policies	<ul style="list-style-type: none"> • Documentation Standards for an Episode of Care • Preventable Adverse Events
Related Materials	<ul style="list-style-type: none"> • None