

Revision to First Quarter Variable Payments following Correction of Errors in DRG Grouping

1. PURPOSE

- 1.1 The purpose of this Circular is to provide advice on the approach being adopted when errors are detected to ensure that the variable payments calculations under casemix funding reflect accurate data.

2. NATURE OF THE ERRORS

- 2.1 Errors in computer programs at Health Computing Services (HCS) have resulted in approximately 700 Weighted Inlier Equivalent Separations (WIES) being grouped to an incorrect DRG. These errors were recently detected and HCS have now confirmed that they have been corrected.
- 2.2 Different errors affected data from hospitals transmitting to PRS/2 and data from hospitals using the PRS feeder system to the Victorian Inpatient Minimum Database (VIMD).
- 2.3 PRS/2 data is grouped into both Australian National DRGs (ANDRGs - for casemix analysis and funding) and HCFA-V4 DRGS (for WorkCover claims). These Groupers are based on different versions of ICD9-CM diagnosis and procedure coding files and all codes are re-mapped separately for each Grouper. A conflict between these two mapping processes resulted in a low proportion of cases being grouped to an incorrect ANDRG.
- 2.4 It was also revealed that the Birth Weight field was not being passed to the ANDRG Grouper resulting in neonatal DRGs being grouped using only the ICD9-CM coded birth weight or the default birth weight (2500 grams).
- 2.5 Although these errors were corrected in December 1993, some residual errors remained with previously grouped data.
- 2.6 An error has also been detected in the ANDRG Grouping of PRS data. Where a patient had been on leave, these data were being grouped using age at last re-admission from leave rather than the correct age at admission.

3. ACTION BEING TAKEN TO CORRECT DATA AND ADJUST FIRST QUARTER FUNDING

- 3.1 All data have been correctly grouped for the 21 February update of the VIMD. Hospitals will receive a revised Inlier Equivalent Separations and Related Items Report from HCS which presents correct data for all months.
- 3.2 The Department has arranged for HCS to re-run the First Quarter data (as at the 21 November 1993 update of the VIMD) and a comparison between the original and the revised corrected data has been made. Prior to the casemix funding calculations that follow the 21 February update, there will be an additional calculation which covers the adjustment to First Quarter funding associated with the re-run of hospitals' data. The exact impact of this adjustment to the data originally submitted for the First Quarter will be made known to each hospital. Regional Offices will have copies of the VIMD data sets at the DRG level which have contributed to this adjustment.
- 3.3 This adjustment will be made (paid or deducted) at the full rate without penalty at the same time (second grant payment in March 1994) as all other casemix funding calculations for the First and Second Quarter are made in accordance with previous Circulars.



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