BlueCross BlueShield of North Carolina MEDICARE

Reimbursement Policy	
Subject: **Diagnosis Used in DRG Computation**	
Policy Number: **G-12005**	Policy Section: **Coding**
Last Approval Date: **03/15/2023**	Effective Date: **10/08/2020**

**** Visit our provider website for the most current version of the reimbursement policies. If you aare using a printed version of this policy, please verify the information by going to **https://www.bluecrossnc.com/providers/blue-medicare-providers/healthy-blue-medicare**. ****

Disclaimer

These reimbursement policies serve as a guide to assist you in accurate claims submissions and to outline the basis for reimbursement if Blue Cross and Blue Shield of North Carolina (Blue Cross NC) Medicare Advantage covered the service for the Healthy Blue + Medicare℠ (HMO-POS D-SNP) member's 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 Current Procedure Terminology® (CPT) codes, Healthcare Common Procedure Coding System (HCPCS) codes, and/or revenue codes. These codes denote the services and/or procedures performed and, when billed, must be fully supported in the medical record and/or office notes. Unless otherwise noted within the policy, our reimbursement policies apply to both participating and non-participating professional providers and facilities.

If appropriate coding/billing guidelines or current reimbursement policies are not followed, Blue Cross NC Medicare Advantage may:

- Reject or deny the claim.
- Recover and/or recoup claim payment.
- Adjust the reimbursement to reflect the appropriate services and/or procedures performed.

https://www.bluecrossnc.com/providers/networks-programs/blue-medicare/healthy-blue-medicare

NCBCBS-CR-RP-059486-24 May 2024

These reimbursement policies may be superseded by mandates in provider, state, federal, or Centers for Medicare & Medicaid Services (CMS) contracts and/or requirements. Blue Cross NC Medicare Advantage strives to minimize delays in policy implementation. If there is a delay, we reserve the right to recoup and/or recover claims payment to the effective date in accordance with the policy. We reserve the right to review and revise these policies when necessary. When there is an update, we will publish the most current policy to the website.

Policy

Blue Cross NC Medicare Advantage ensures that the diagnosis and procedure codes that generate the Diagnosis Related Groups (DRG) 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.

Blue Cross NC Medicare Advantage 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.

Blue Cross NC Medicare Advantage routinely monitors DRG billing patterns to ensure that hospitals perform fair and equitable coding and utilization.

Related Coding
Standard correct coding applies

Policy History	
03/15/2023	Review approved: Policy template updated
10/08/2020	Review approved: Policy template updated
11/16/2018	Review approved: Policy template updated
10/03/2016	Review approved: Policy template updated
08/8/2014	Review approved: Policy language updated
09/09/2013	Review approved 09/09/13 with effective date 04/15/13: Disclaimer updated
07/16/2012	Initial approval 07/16/12 and effective 04/15/13

References and Research Materials

This policy has been developed through consideration of the following:

- CMS
- Department of Health and Human Services, DHB Contract

Definitions	
Diagnosis Related Groups (DRGs)	Diagnosis Related Groups (DRGs) are 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 and Materials
Documentation Standards for an Episode of Care
Provider Preventable Conditions