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COVID-19 Adds Twist to Sequencing for DRGs; Lab Coding Is Risk With Many Effective Dates

By Nina Youngstrom

It's the pandemic version of which came first, the chicken or the egg: A patient with COVID-19 is admitted to the hospital for a heart attack, and the sequencing of the principal and secondary diagnoses may be unclear. If the patient is diagnosed with COVID-19 because of a positive test, should that be sequenced first and the myocardial infarction second or the other way around? Either way, hospitals will get the 20% bump for the MS-DRG because a COVID-19 diagnosis will be on the claim. But whether it's principal or secondary affects the MS-DRG assignment and therefore the reimbursement.

Sequencing probably will be a focus of Medicare auditors when they slowly resume audits Aug. 3, said Leslie Slater, specialist leader with Deloitte Advisory in New York City. Sepsis will be one of those diagnoses.

Hospitals may not realize the impact of the 20% add-on, added Susan Gatehouse, CEO of Axea Solutions in Atlanta, Georgia, at a July 19 webinar sponsored by RACmonitor.com. When the payment increase in COVID-19-related inpatient stays was announced, some people thought COVID-19 had to be listed as the principal diagnosis, grouping to a respiratory MS-DRG, she said. That's one route, but it's also "any MS-DRG that has COVID on the claim regardless of the sequencing."

With so many variables, diagnosis coding and accurate lab billing are vulnerable areas for hospitals. Lab tests in particular pose a significant compliance challenge because tests are continually added with different effective dates, including two in late June, Gatehouse said.[1] "The dates on the codes are very important," she noted. "Make sure you have the effective dates correct." If claims for lab tests are submitted with dates of service before the tests took effect, the claims probably will be denied. Compounding the problem is the fact that lab coding, unlike diagnosis coding, is not the province of the health information management department, "which is so keenly aware of diagnosis coding and documentation deficiencies," Gatehouse said. "What I'm concerned about are labs. That's where hospitals may be missing the boat," she said. "The constant changes in the CPT codes as well as guidelines [have] made lab billing terribly confusing."