



# Department of Medicaid

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## Hospital Handbook Transmittal Letter (HHTL) No. 3352-20-04

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**TO: All Hospital Providers  
Directors, County Departments of Job and Family Services**

**FROM: Maureen M. Corcoran, Director**

**SUBJECT: October 1, 2020 Updates for Inpatient and Outpatient Hospitals**

### Summary

This Hospital Handbook Transmittal Letter (HHTL) provides information pertaining to the adoption of the 2021 ICD-10 diagnosis and procedure code sets and how the adoption of those updates impacts inpatient and outpatient services with dates of discharge and visits on or after October 1, 2020.

### Inpatient Hospital Updates

The Department has implemented the new 2021 ICD-10 diagnosis and procedure codes for inpatient hospital reimbursement, effective October 1, 2020. Obsolete diagnosis and procedure codes have been deleted. Providers are expected to use diagnosis and procedure codes that were in effect on the date of discharge.

Inpatient hospital claims with dates of discharge on or after October 1, 2020 will be processed under APR-DRG version 38. APR-DRG version 38 contains new, deleted and revised DRGs, and relative weights that have been developed for the 4 new DRGs. A summary of the APR-DRG version 38 grouper changes is detailed below. A full list of DRG descriptions and relative weights is available on the Department's website.

While few new inpatient procedure codes will require prior authorization, the Department did not identify any procedure or diagnosis codes that will not be covered. The list of inpatient procedures that require prior authorization has been updated and is available on the Department's website.

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## **Outpatient Hospital Updates**

The Department has implemented new 2021 ICD-10 diagnosis codes for outpatient hospital reimbursement. Obsolete diagnosis codes have been deleted. Providers are expected to use diagnosis codes that are in effect on the date of service. The EAPG relative weights that were effective March 9, 2020 remain in effect. Additionally, the diagnosis code list was updated for outpatient hospital behavioral health (OPHBH) services.

## **All Patient Refined Diagnosis Related Groups Update**

Inpatient hospital claims reimbursement is based on the 3M APR-DRG grouper. The grouper is updated annually to include changes to ICD-10 codes and clinical logic to reflect the current healthcare environment and common practices. Each year, 3M revises the APR-DRG grouping logic for two reasons: to accommodate changes in code sets used by the hospital industry; and to enhance the clinical precision of the APR-DRG logic. APR-DRG version 38 goes into effect on October 1, 2020 to accommodate changes to the ICD-10 diagnosis and procedure codes. 3M is adding four new DRGs, deleting two DRGs, and revising the description of one DRG. These updates are being incorporated into MITS to ensure proper payment of claims in accordance with OAC 5160-2-65. The changes will be effective for claims with dates of discharge on or after October 1, 2020.

The new DRGs differentiate hip and knee replacements into DRGs that separately recognize procedures that are non-elective or complex (have an underlying complicating diagnosis) from those that are strictly elective. Those procedures that are non-elective or complex would tend to be more costly and have longer lengths of stay thus, having greater resource intensity, when compared to an electively performed procedure. In their development of APR-DRG version 38, 3M found that about 30% of the procedures performed grouped to the non-elective or complex DRGs. However, information provided by 3M did not contain sufficient detail to calculate Ohio-specific relative weights that would accurately and fairly reflect the resource intensity of the non-elective or complex procedures versus elective procedures. Therefore, until an analysis can be performed to establish Ohio-specific relative weights, the current relative weights applicable to hip and knee replacements will be carried forward to the corresponding new DRGs.

The list of new, deleted, and revised DRGs is included below. The relative weights and average-length-of-stay (ALOS) for all other DRGs remain unchanged. The full list of DRGs with their corresponding relative weights and ALOS is published on the ODM website.

There are 4 new APR-DRGs:

- 323 non-elective or complex hip joint replacement
- 324 elective hip joint replacement
- 325 non-elective or complex knee joint replacement
- 326 elective knee joint replacement

There are 2 deleted APR-DRGs:

301 Hip joint replacement  
302 Knee joint replacement

There is 1 APR-DRG with a revised description:

043 Multiple sclerosis, other demyelinating disease and  
inflammatory neuropathies

### **Access to Rules and Related Information**

Information about the services and programs of the Department may be accessed through the Department's main webpage: <https://medicaid.ohio.gov> .

- Stakeholders who want to receive notification when the Department original or final files a rule package may visit JCARR's RuleWatch at [www.rulewatchohio.gov](http://www.rulewatchohio.gov) where an account can be created to be notified of rule actions by rule number or department.
- Stakeholders can subscribe to receive notification when a clearance or BIA is posted for public comment on the Ohio Business Gateway here: <https://www.apps.das.ohio.gov/RegReform/enotify/subscription.aspx>

Information about hospital payment policies may be accessed through the Department main web page (<https://medicaid.ohio.gov> > Providers > Fee Schedule and Rates > Click "I Agree").

### **Additional Information**

Questions pertaining to this letter should be addressed to:

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or

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