Review of the AR-DRG and ICD-10-AM/ACHI/ACS development cycle

The review of the admitted care classifications considered the development cycle, processes and user needs in implementing updates.
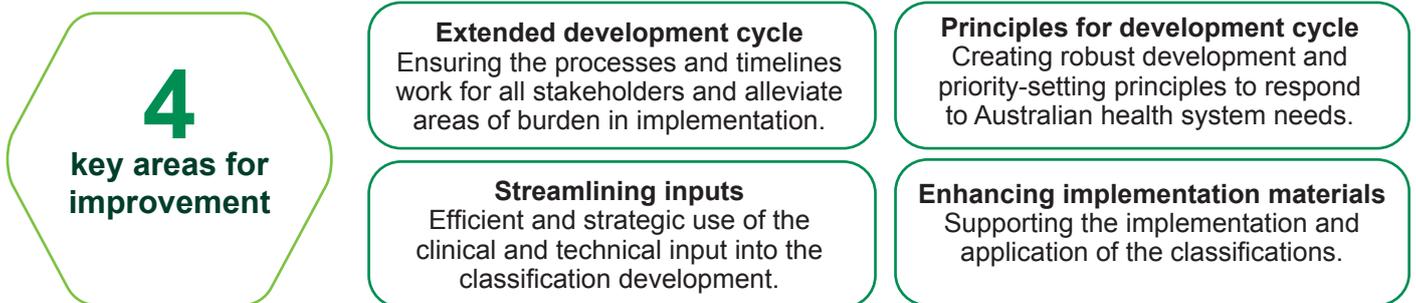
The admitted care classifications

ICD-10-AM/ACHI/ACS

International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification (ICD-10-AM)

Australian Classification of Health Interventions (ACHI) | Australian Coding Standards (ACS)

AR-DRGs

Australian Refined Diagnosis Related Groups (AR-DRGs)

The ICD-10-AM/ACHI/ACS classification system is used in hospitals across Australia to classify clinical activity associated with admitted patients. The AR-DRG classification system uses coded activity data with other collected information to group together patients that have similar diagnoses and who require similar hospital services.
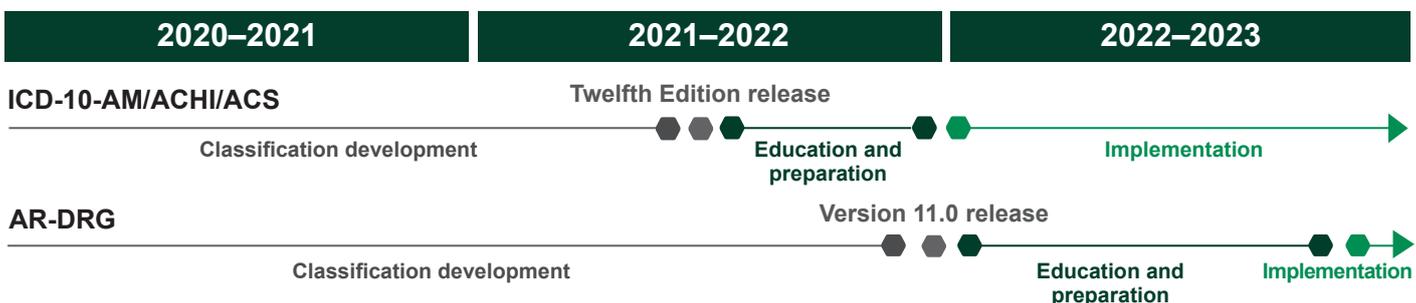
Reason for the review

The development cycle of the admitted care classifications was last reviewed in 2009. Since that time the landscape has changed significantly with the National Health Reform Agreement in 2011 and the introduction of activity based funding nationally. The recent review found the cycle was working well but found areas of potential refinement.

4 key areas for improvement

Extended development cycle
Ensuring the processes and timelines work for all stakeholders and alleviate areas of burden in implementation.

Principles for development cycle
Creating robust development and priority-setting principles to respond to Australian health system needs.

Streamlining inputs
Efficient and strategic use of the clinical and technical input into the classification development.

Enhancing implementation materials
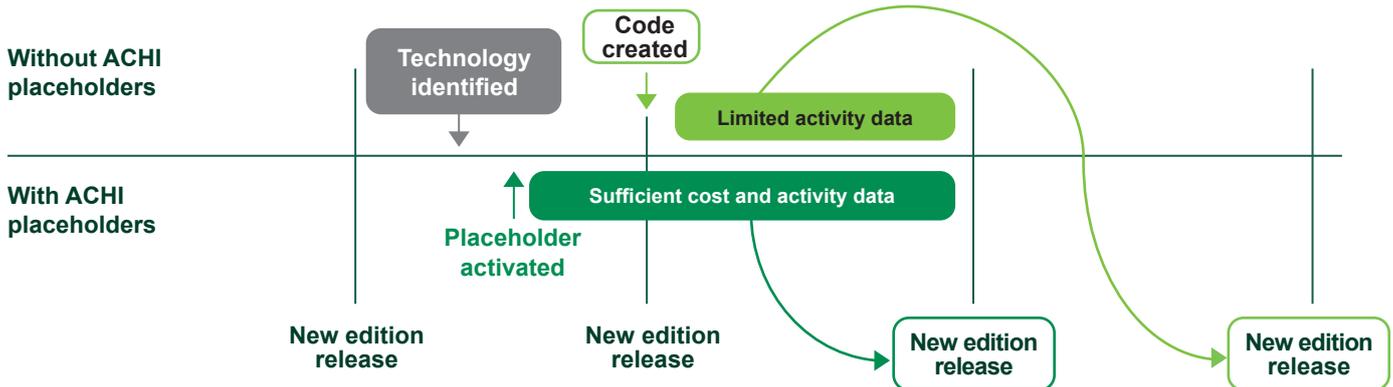Supporting the implementation and application of the classifications.

Extended development cycle

The development cycle for the admitted care classifications will now be a three-year cycle. ICD-10-AM/ACHI/ACS Twelfth Edition is planned for implementation on 1 July 2022, AR-DRG Version 11.0 is planned for implementation on 1 July 2023.

2020–2021	2021–2022	2022–2023

ICD-10-AM/ACHI/ACS

Twelfth Edition release

Classification development — Education and preparation — Implementation

AR-DRG

Version 11.0 release

Classification development — Education and preparation — Implementation
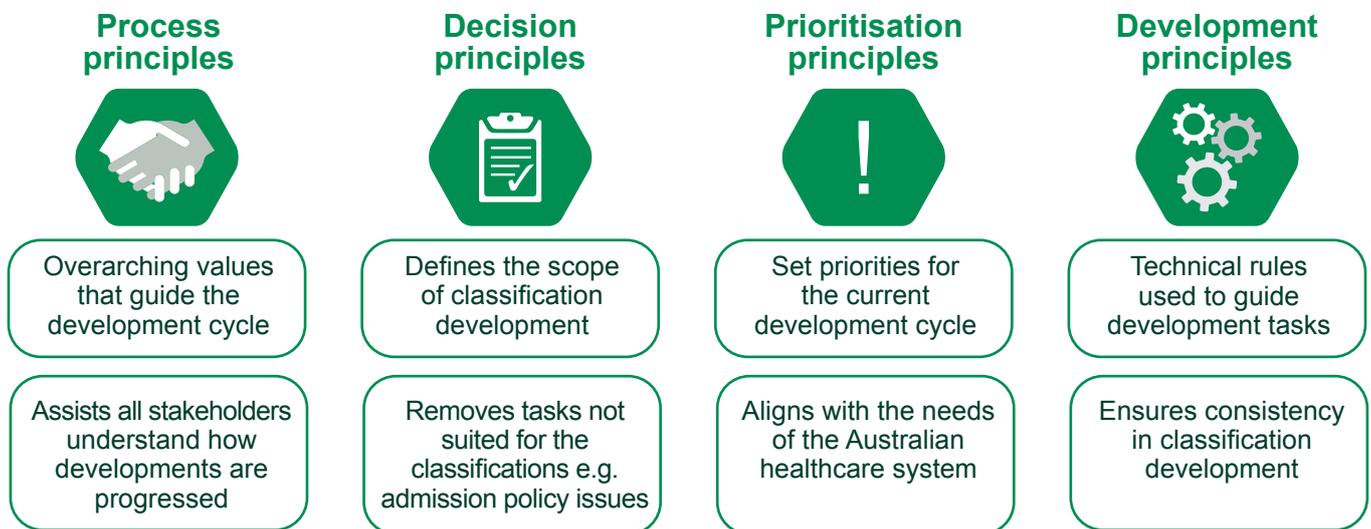
1.

Placeholder codes in ACHI

Longer development cycles need to be agile to deal with an evolving healthcare system. Placeholder codes will be used to capture new health technology.
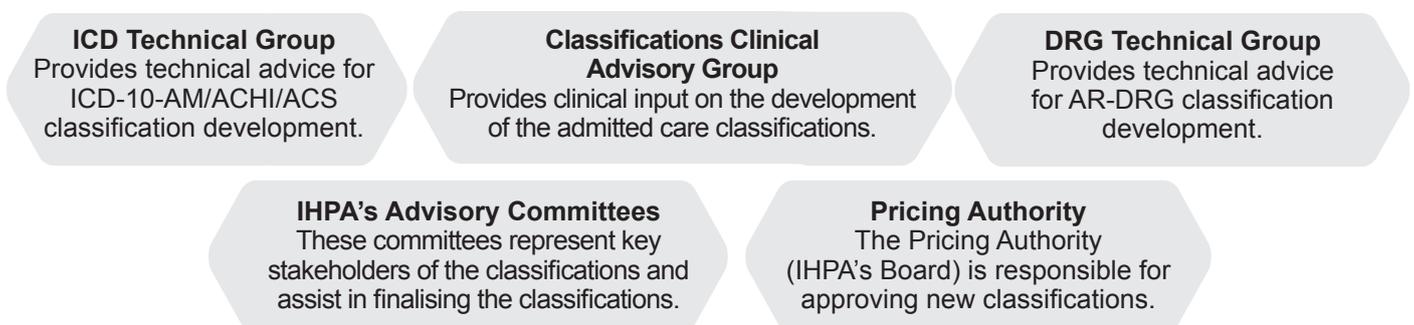
Without ACHI placeholders

With ACHI placeholders

Technology identified

Code created

Limited activity data

Sufficient cost and activity data

Placeholder activated

New edition release

New edition release

New edition release

New edition release

Principles for development cycle

Using a principles-based approach to guide the development of the admitted care classifications.

Process principles	**Decision principles**	**Prioritisation principles**	**Development principles**
Overarching values that guide the development cycle	Defines the scope of classification development	Set priorities for the current development cycle	Technical rules used to guide development tasks
Assists all stakeholders understand how developments are progressed	Removes tasks not suited for the classifications e.g. admission policy issues	Aligns with the needs of the Australian healthcare system	Ensures consistency in classification development

Streamlining inputs

The admitted care classifications governance framework sets out the roles and responsibilities of the Independent Hospital Pricing Authority (IHPA) and other key players in the classification development cycle.

ICD Technical Group
Provides technical advice for ICD-10-AM/ACHI/ACS classification development.

Classifications Clinical Advisory Group
Provides clinical input on the development of the admitted care classifications.

DRG Technical Group
Provides technical advice for AR-DRG classification development.

IHPA's Advisory Committees
These committees represent key stakeholders of the classifications and assist in finalising the classifications.

Pricing Authority
The Pricing Authority (IHPA's Board) is responsible for approving new classifications.

Enhancing implementation materials

Comprehensive education for health information workforce

Quality assurance process for classification products

Enhancing documentation to support implementation of new editions and releases