
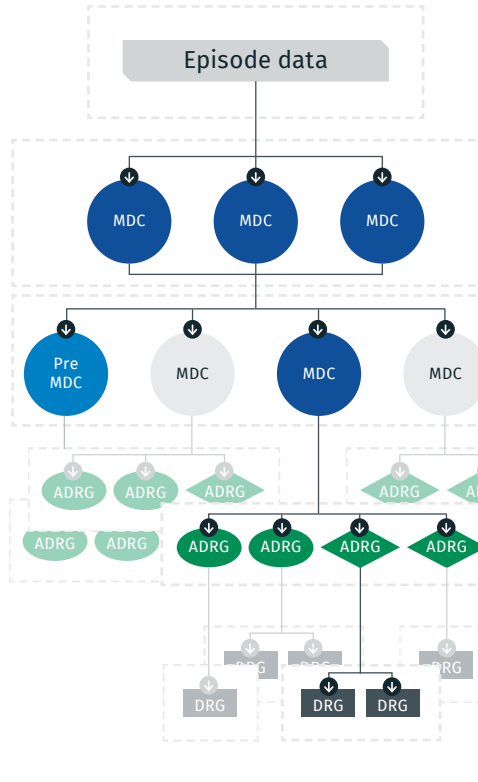






Australian Refined Diagnosis Related Groups overview and Version 11.0 development

The Independent Health and Aged Care Pricing Authority (IHACPA) is responsible for the development of the classification systems that provide the healthcare sector with a nationally consistent method of classifying all types of patients, their treatment and associated costs.

The **Australian Refined Diagnosis Related Groups** (AR-DRG) classification provides a clinically meaningful way to relate or group the number and type of patients treated in admitted acute episodes of care to the resources required in treatment.

AR-DRGs use diagnosis and intervention codes with other routinely collected data to classify admitted acute patient episodes.

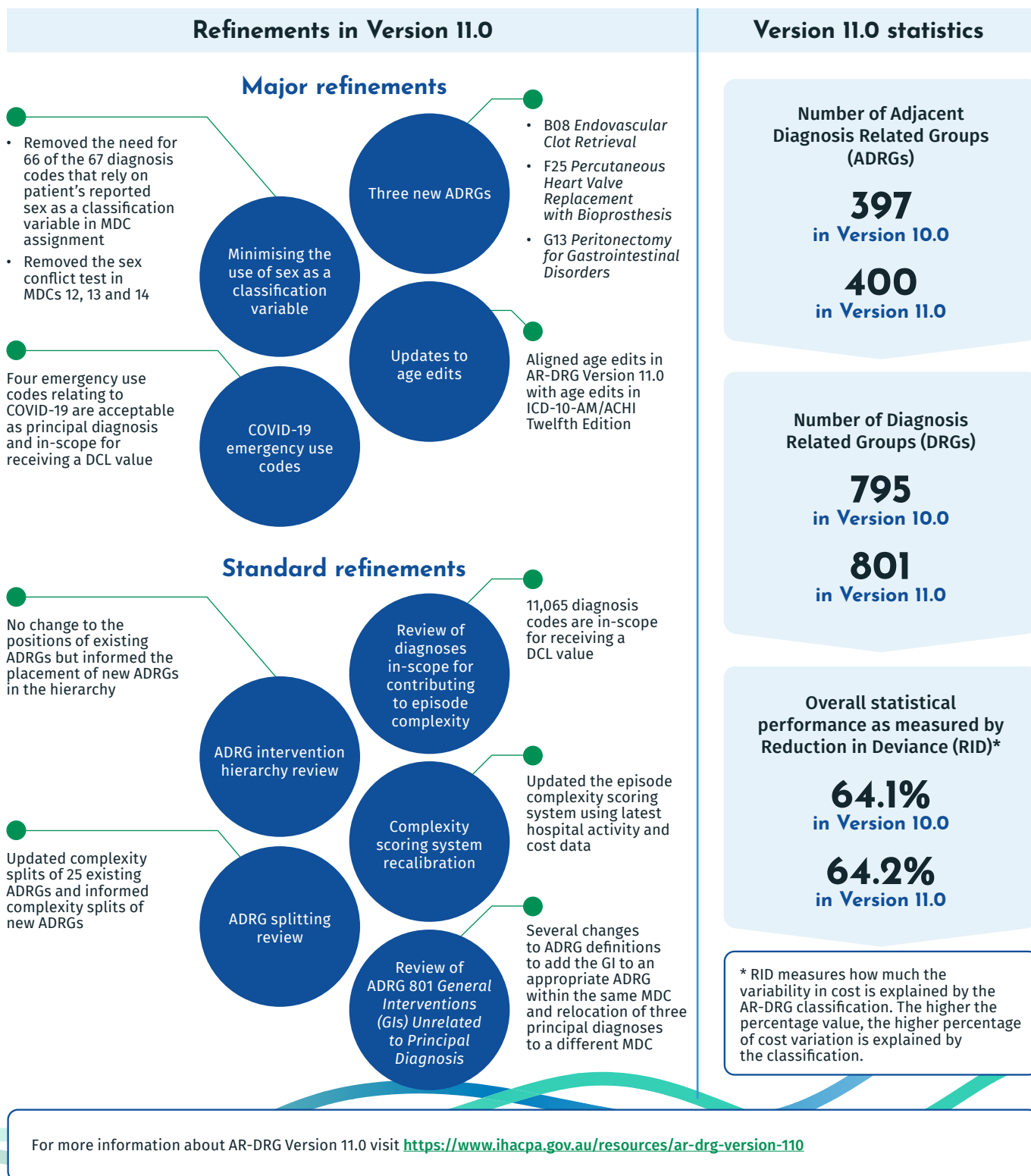
Uses for AR-DRGs	How do they work?	
 Calculating public hospital funding on an activity basis	1. Demographic and clinical edits assess the validity of variables.	
 Health service planning	2. Episodes are assigned to a Major Diagnostic Category (MDC) based on the principal diagnosis.	
 Benchmarking	3. Pre MDC processing identifies high-cost episodes and changes MDC assignment based on other variables.	
 Epidemiology and research	4. Episodes are assigned to Adjacent DRGs (ADRGs) mainly based on diagnoses and interventions.	
 Funding agreements between private hospitals and insurers	5. Episodes are assigned to DRGs mainly based on the Episode Clinical Complexity Score (ECCS). The ECCS is derived from the Diagnosis Complexity Levels (DCLs) of diagnoses in an episode.	

Types of Diagnosis Related Groups (DRGs)

DRGs in Version 11.0	Description	Example
Pre MDC	9 DRGs	High-cost episodes
No splits	83 DRGs	DRG is assigned without the use of complexity score
Split on complexity	700 DRGs	DRG is assigned using a complexity score
Split on other variables	9 DRGs	DRGs using other variables such as transfer status and length of stay


AR-DRG Version 11.0 was released in July 2022 and has been developed in accordance with the [Governance Framework for the Development of the Admitted Care Classifications](#), following clinical and statistical analysis and consultation with clinicians, jurisdictions and other health sector stakeholders.

Interactive AR-DRG Version 11.0 education modules are available on [IHACPA Learn](#).




Further information

To learn more about the Independent Health and Aged Care Pricing Authority, get in touch with us via the details below.

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Find us online to connect with us.

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