

The Independent Health and Aged Care Pricing Authority (IHACPA) is responsible for the development of the diagnosis and intervention classifications used in admitted care:

- 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); collectively known as ICD-10-AM/ACHI/ACS.

What is cluster coding?

Cluster coding is a mechanism of linking related diagnosis codes through use of a diagnosis cluster identifier (DCID) that will enhance the value of coded data.

Codes are considered 'related' when they connect the circumstances of an event or certain other code relationships together.

Why is cluster coding necessary?

Currently, any relationship between ICD-10-AM codes is limited to what can be determined through the sequencing of codes by those involved in the clinical coding process. However, when complex conditions require multiple codes, sequencing alone is not sufficient for users to understand the relationship between codes.

With cluster coding, the relationship between codes becomes clearer which adds meaning and improves the utility of the data.

Benefits of cluster coding

Clustering increases the understanding of activity data and provides more powerful information for end users by:



identifying relationships between codes

e.g. multiple poisonings and injuries in the context of accompanying external cause codes



enhancing safety and quality reporting

e.g. identifying hospital acquired complications in unique clusters



enhancing reporting of chronic conditions

e.g. reporting all chronic conditions regardless of whether they meet ACS 0002
Additional diagnoses



reducing assumptions when interpreting data



eliminating the need to review episodes of care to establish relationships between codes



supporting future funding models



preparing for a potential future implementation of ICD-11, where clustering is a feature

How will it work?

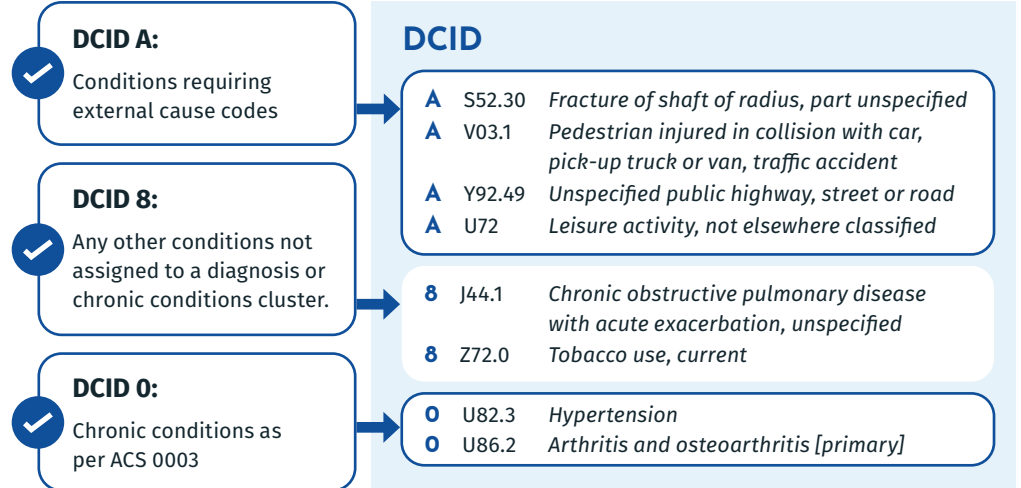
All ICD-10-AM codes in an episode of care will require a DCID value.

The DCID assigned will indicate where there are relationships between codes (for example, injury, external cause, place of occurrence and activity codes and supplementary codes for chronic conditions).

Conditions not assigned to a diagnosis or chronic condition cluster will be assigned DCID 8.

What does a DCID look like?

DCID	Description
A-ZZ	Cluster for diagnosis codes
0	Cluster for chronic conditions
8	Not clustered



Staged implementation

IHACPA is proposing to implement cluster coding from 1 July 2025, for use with ICD-10-AM Thirteenth Edition. The initial implementation will be limited to clustering:

- codes that require or are associated with the assignment of external cause codes
- supplementary codes for chronic conditions (assigned in accordance with ACS 0003 *Supplementary codes for chronic conditions*).

IHACPA may consider extending cluster coding combinations in ICD-10-AM Fourteenth Edition.

Support for implementation

To support the implementation of cluster coding, IHACPA will provide the following:



Guidelines in the Australian Coding Standards (ACS)

Creation of ACS 0004 *Diagnosis cluster identifier (DCID)*, to provide guidance on cluster coding for Thirteenth Edition.



Engagement with stakeholders

IHACPA will engage stakeholders through public consultation, public forums and will conduct industry briefings.



Pilot exercise to test the proposed ACS 0004 *Diagnosis cluster identifier (DCID)*

IHACPA will conduct a pilot exercise in early 2024 to test the proposed classification guidelines.



Education

Education on cluster coding will be available to all users through [IHACPA Learn](#).



Enhancements to the electronic code lists (ECLs)


Thirteenth Edition ECLs will identify codes that require clustering. Flagging relevant codes will enable software vendors to support the application of the DCID and allow data collection agencies to formulate edits that will enhance the quality and application of the DCID.

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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