

## **Moving to MS-DRGs – the THA plan**

This document explains how THA will accommodate the change from DRGs to MS-DRGs that occurred in October 2007.

Historically, the inpatient data THA made available on **THA MarketIQ** (MIQ) used CMS DRGs to allocate inpatient records to THA DRG product lines. Also, the data THA made available in the inpatient database that some hospitals purchase had the DRG and the THA DRG product lines included as a part of the inpatient database. THA has used the THA DRG product line system to combine the data into a smaller number of categories for analysis. For example, in September 2007, there were more than 500 DRGs, and THA grouped these DRGs into 24 DRG product lines.

In October 2007, the DRG system was drastically changed and is now known as the MS-DRG system. The new MS-DRG system has more than 700 DRG categories and assignment to one of the new MS-DRGs is more closely associated with the severity of the patient's condition. Since there is no one-to-one crosswalk from the DRG system to the new MS-DRG system, THA had to decide how to move forward in a way that will allow us to continue trending data over time.

THA decided to re-process inpatient data for 2004, 2005, and 2006 using the new MS-DRG grouper. This will allow the historical data on MIQ to use MS-DRGs and MS-DRG product lines. Following the recommendations of the Technical Subcommittee and the THA Data Policy Committee, THA also decided to use the 39 MS-DRG product line categories developed and assigned by the Hospital Association of New York State (HANYs). The Medicare financial data that the THA Finance Department provides to member hospitals also uses these HANYs product line categories so this will allow the discharge data and the financial data to be more consistent and comparable.

When the 4<sup>th</sup> quarter 2007 data is made available on MIQ (late spring/early summer 2008), all inpatient data for 2004 - 2007 on MIQ will convert to the MS-DRG and MS-DRG product lines. Until that time, the data on MIQ will continue to use the DRG and THA DRG product lines.

THA will make MS-DRG information for 2004-2006 inpatient data available to the THA HIN inpatient database customers for \$500/year. Inpatient database customers who choose to purchase the MS-DRG information will receive an additional ancillary file that contains the sequence key, MS-DRG and the MS-DRG product line for each record in the 2004-2006 inpatient databases.

If you have any questions or need additional information, please contact Jean Young at THA, [jyoung@tha.com](mailto:jyoung@tha.com) or 615-401-7429.