

## 3M™ APR DRG Classification System and 3M™ APR DRG Software

- Automatically classifies patients into clinically meaningful groups
- Helps provide an accurate, consistent and cost-effective means of comparing providers and performance
- Accounts for severity of illness and risk of mortality in all patient populations

### The 3M advantage

Delivering and getting paid for quality health care today mean processing and analyzing huge volumes of data.

The 3M APR DRG Classification System can help you assess patient outcomes, resource utilization and quality measures as well as determine fair comparisons of providers, hospitals and health networks.

The 3M™ APR DRG Software, a grouping methodology application, can group and adjust large volumes of data to reflect the severity of illness and risk of mortality present in your patient populations.

### The challenges: Population health and value-based reimbursement

Today payers and providers are moving away from delivering individual services to individual patients toward managing population health. The **Centers for Medicare & Medicaid Services (CMS)** is transitioning its reimbursement from volume- to value-based models. Never has it been more important for providers, regulators and payers to capture accurate data that reflects the true condition of a patient, including all diagnoses and procedures performed.

### The 3M approach: Align quality with reimbursement

The **3M All Patient Refined DRG (APR DRG) Classification System** uses standard patient discharge information to classify patients into clinically meaningful groups, then into four **severity-of-illness (SOI)** and four **risk-of-mortality (ROM) subclasses** within each 3M™ APR DRG code. The system aligns the care provided in the hospital with how it's paid and helps organizations better understand their population's health across the care continuum.

By severity- and risk-adjusting patient data, the 3M APR DRGs help provide the accurate, consistent and cost-effective data needed to plan and analyze:

- Quality and cost improvement
- Outcomes and performance measurement
- Prospective reimbursement
- Comparative profiling
- Clinical and operational redesign and improvement
- Documentation and coding improvement
- Financial and strategic planning
- Evaluation of resource needs
- Payer negotiation for reimbursement that matches case mix complexity

### A classification system for all patients

A highly enhanced extension of the basic DRG concept, the 3M APR DRGs provide a comprehensive view of the patient population and were developed by the **3M Clinical and Economic Research Department**, the **Children's Hospital Association** and several physician groups. This collaboration resulted in a reliable system that healthcare experts can use to measure outcomes across a broad population of all patient types, including pediatric—and not just Medicare beneficiaries.

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While the CMS DRGs focus on the Medicare population, 3M APR DRGs classify acute care patients and are specifically designed to adjust data for SOI (“How sick is the patient?”) and ROM (“How likely is it the patient will die?”).

The fundamental principle of 3M APR DRGs is that severity of illness and risk of mortality both depend on the patient’s underlying condition. High SOI and ROM are characterized by multiple serious diseases and the interactions between disorders.

## Addressing the “preventables” in health care

The clinical logic of the 3M APR DRG Classification System is the basis for other specialized grouping methodologies, including the **3M™ Potentially Preventable Readmissions (PPR)** and **3M™ Potentially Preventable Complications (PPC) Grouping Software**. Besides identifying PPRs and PPCs, these tools can also calculate expected performance and evaluate the impact on costs.

## Putting 3M APR DRGs to work

The **3M™ APR DRG Software** is the most widely used SOI and ROM adjustment tool today and the standard for adjusting large volumes of data to account for differences related to the individual’s true condition. As a result, organizations can focus on the differences in clinical care and generate apples-to-apples comparisons of quality.

The software is also used by commissions and state agencies for risk-adjusted quality reporting and payment. Because they use readily available data, the cost-effective 3M APR DRGs help organizations avoid additional, expensive data collection outside of the normal coding process. The 3M APR DRG Software is also at work in several 3M products, including:

- **3M™ 360 Encompass™ System**
- **3M™ Coding and Reimbursement System**
- **3M™ DRG Assurance™ Program**
- **3M™ Clinical Documentation Improvement (CDI) System**
- Other 3M grouping applications, including **3M™ Core Grouping Software (CGS)** and **3M™ Grouper Plus Content Services (GPCS)**
- 3M’s suite of payer-focused solutions

Finally, **3M Consulting Services** offers modularized **3M™ APR DRG Services**, ranging from educational sessions to evaluating patient record accuracy and assessing how effectively clinical documentation reflects the appropriate DRG, SOI and ROM to converting existing coded data into 3M APR DRGs.

## Improving care with 3M APR DRGs

Since hospitals report **present on admission (POA)** indicators, the 3M APR DRG Software calculates an “**admission APR DRG**” for each patient. Quality improvement professionals can use this data to reduce hospital-acquired conditions and other complications. POA also makes it possible to measure ROM at admission, helping hospitals adopt more meaningful mortality reduction strategies.



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## 3M™ APR DRG Software highlights

- **Annual updates** include both ICD codes and clinical logic to reflect the current healthcare environment and common practices
- **Relative weights** are provided to:
  - Compare multiple patient groups by case mix index
  - Provide the infrastructure for using 3M APR DRG technology as a payment methodology
  - Improve ease of use for cost and utilization analysis
- **ICD code re-sequencing** means those secondary diagnosis and procedure codes with the most impact on SOI and ROM assignment appear at the beginning of the list, so the most appropriate codes can be sent in truncated data sets
- **Special affect flags** show the contribution each diagnosis and procedure makes to the 3M APR DRG classification
- A comprehensive **definitions manual** is available to explain each step in the 3M APR DRG clinical logic

## Call today

For more information on how 3M software and services can assist your organization, contact your 3M sales representative, call us toll-free at **800-367-2447**, or visit us online at [www.3m.com/his](http://www.3m.com/his).

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