## What is ms-drg?



The term means two things definition one is Medical Systems Development Group. But for this paper we will be using the second definition of Medicare Severity Diagnosis Related Group this acronym deals with Medicare Reimbursement. (what does msdrg stand for, 1988-2011) Mostly this term deals with how an illness or a procedure is coded using CPT and ICD9-CM codes. Originally the Centers for Medicare and Medicaid Services used a DRG system created in 1980 by Robert Barclay Fetter and John D. Thompson at Yale University to show severity and deliver payments to physicians and hospitals. (diagnosis-related groups, 2010)

Effective October 1, 2007 changed to the MS-DRG system. The idea was to code based on the severity of the case. The change increased the codes from 538 to 745, this added new codes for complications. Payments are now cost based. Documentation needs to be enhanced to deal with the codes for chronic and acute situations. There was an increase as well as a decrease in the rates for some services. There are ongoing changes being implemented yearly. (instacode institute, 1998-2011)

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