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A message to
Business Office Managers

Memo No. 10-08

TO: AmeriHealth participating hospitals

FROM: Christine M. Siok
Director, Provider Network Services

DATE: October 1, 2008

SUBJECT: **NEW ICD-9 CODES AND DRG GROUPER IMPACTS**

The Centers for Disease Control and Prevention have published new ICD-9 diagnosis and procedure codes that are effective October 1, 2008.

We are working with our vendor to update our DRG Grouper software to process claims for inpatient services using the new ICD-9 codes for providers who have a DRG Case Rate or DRG payment methodology. Until that update is complete, claims billed for dates of service after October 1, 2008, for inpatient services that require DRG assignment and contain new ICD-9 procedure and/or diagnosis codes may not group correctly. If a claim does not group correctly, we may pay an incorrect amount or incorrectly deny the claim.

To mitigate this impact, which we expect to be minimal, we will run reports weekly to identify claims with new ICD-9 codes and adjust them as necessary until our updated software is in place. Again, this is a potential issue only for inpatient service claims that require a DRG assignment and are billed with the new ICD-9 procedure and diagnosis codes effective October 1, 2008. This issue does not affect claims billed with current ICD-9 codes or ones that are not dependent on a DRG assignment.

Thank you for your understanding during this transition. If you have any questions regarding this update, please contact your Network Coordinator.