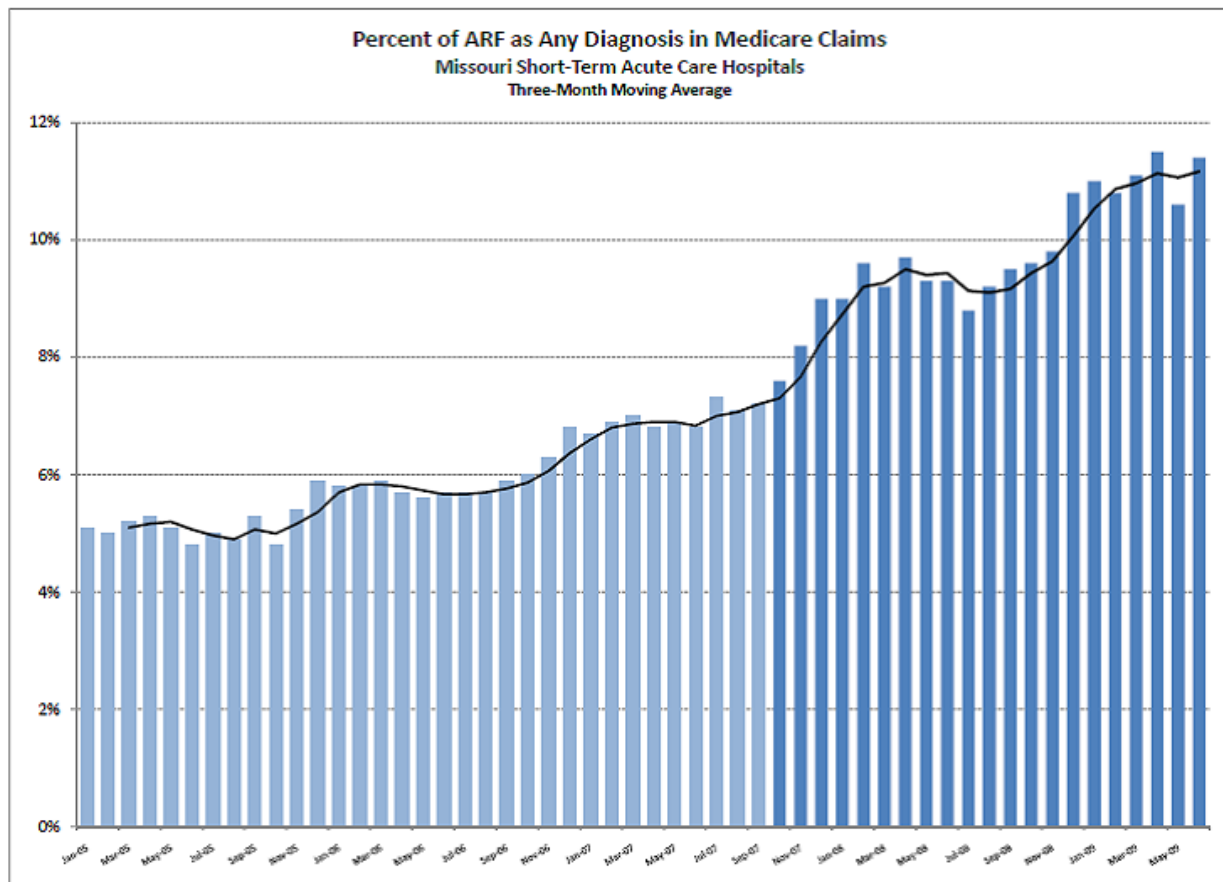


Dec. 29, 2009

Dear Healthcare CEO:

Primaris is the Quality Improvement Organization (QIO) authorized by the Centers for Medicare & Medicaid Services to review healthcare services provided to Medicare patients in the state of Missouri. By law, we review Medicare cases to determine if the services meet medically acceptable standards of care, are medically necessary, and are delivered in the most appropriate setting. We are also required to perform Diagnosis-Related Group (DRG) validation to ensure that the diagnostic and procedural codes billed are supported by the documentation in the medical record.

The diagnosis of acute renal failure is designated as a Major Comorbidity/Complication (MCC) and has a significant impact on reimbursement. With the implementation of Medical Severity (MS) DRGs, Primaris has noted that the proportion of acute care inpatient claims that include the diagnosis of ARF increased nearly 60%, from 7.2% in September 2007 to 11.4% in June 2009. The graph below illustrates this increase, with a three-month moving average to emphasize the direction of a trend and to smooth out monthly fluctuations.



At this time there is no universal agreement on the clinical definition of ARF. However, a review of large administrative databases suggests that acute renal failure is present in 2% to 4% of admissions to acute care hospitals.¹⁻² Therefore, Primaris requested the assistance of a group of

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physicians in active practice to develop and recommend documentation guidelines. The documentation guidelines recommended by the physician review panel are currently being applied to medical record reviews by Primaris non-physician and physician reviewers.

The attachments to this cover letter include a summary of discussions, guidelines recommended by the physician review panel, and a claims analysis unique to your facility. We encourage you to share our findings and recommendations with staff physicians and HIM/coding managers.

Primaris will continue monitoring patterns in ARF utilization with the expectation of a reduction in the number of claims that include the diagnosis of ARF. Our primary goal is to inform and educate, thereby prompting open dialogue between Primaris, physicians, and the coding community.

Primaris trusts that the facility will find this information helpful. If you have any questions or would like to provide input, you are welcome to contact us:

Sharon Hoffarth, MD, Medical Director - shoffarth@primaris.org
Penny Pickerell, RHIT, Clinical Coding Specialist - ppickerell@primaris.org or
1-800-735-6776 ext. 283

Thank you in advance for your participation.

Sincerely,



Sharon Hoffarth, MD, MPH, FACPM
Medical Director
Primaris
www.primaris.org

1. Hue JL, Daniels F, Star RA, et al. Incidence and Mortality of Acute Renal Failure in Medicare Beneficiaries. *Journal of the American Society of Nephrologists*. 2006; 17:1135-1142.
2. Liangos O, Wald R, O'Bell JW, et al. Epidemiology and Outcomes of Acute Renal Failure in Hospitalized Patients: A National Survey. *Clinical Journal of the American Society of Nephrology*. 2006; 1:43-51.

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