

Clarification of contracted procedures coding and flagging

This article aims to clarify the requirements of code assignment when a procedure that would normally only be coded once is performed at both the contracting (Hospital A) and the contracted (Hospital B) hospital and the flagging of contracted procedures.

The instructions contained in this article are effective from 1 July 2007.

The most common examples of procedure codes assigned only once during an episode of care are:

- Allied health procedures
- Cumulative hours of respiratory support

Coding standards and definitions of relevance include:

ACS 0029 Coding of contracted Procedures provides direction that all procedures carried out under contract should be coded in both the contracting and the contracted hospital.

VIC 0029 Coding of contracted procedures provides information regarding the suffixes that need to be added to identify the procedure(s) carried out under contract.

ACS 0020 Multiple/bilateral procedures provides direction regarding the **exceptions** to the general convention that 'procedure coding should reflect the resources utilised where possible and therefore generally, multiple or bilateral procedures should be coded as many times as they are performed during the episode of care'.

NHDD definition: Guide for Use of the Episode of care (procedure) – contracted procedure flag, code (National Health Data Dictionary, METeOR Reference Number 270473), states:

'Allocation of procedure codes should not be affected by the contract status of an episode: the Australian Coding Standards should be applied when coding all episodes. In particular, procedures which would not otherwise be coded should not be coded solely because they were performed at another hospital under contract.'

Therefore procedures performed at both the contracting and the contracted hospital should only be coded once by the contracting hospital (Hospital A) if that is the coding convention that applies to that code. In addition, the contracting hospital (Hospital A) should only assign the contracted procedures flag to procedures performed entirely at the contracted hospital (Hospital B).

The following advice should be applied by the contracting hospital (Hospital A):

Assign the procedure code once only and assign the contracted procedure flag as follows:

- Where a procedure that is only coded once is only performed at the contracting hospital (Hospital A), do not assign a *Procedures performed under contract at another agency* flag.
- Where a procedure that is only coded once is only performed at the contracted hospital (Hospital B), assign a *Procedures performed under contract at another agency* flag.

- Where a procedure that is only coded once is performed at the contracting hospital (Hospital A) and the contracted hospital (Hospital B), do not assign a *Procedures performed under contract at another agency* flag.
- Where a procedure is partially performed at both the contracting (Hospital A) and contracted hospital (Hospital B), such as mechanical ventilation, code according to the ACS and do not assign a *Procedures performed under contract at another agency* flag.

The contracted hospital (Hospital B) assigns a code for procedures performed during the episode and does not assign a flag to the procedure code(s).