Sepsis Coding Guide

Effective: May 15, 2025

Scope

This guide applies to all providers, non-physician providers, subcontractors and facilities who submit for reimbursement of claims with DRG 871 and/or 872 under CareOregon medical plan of benefits.
The purpose of this guide is to provide awareness of CareOregon's policy update and guidelines surrounding the billing of claims with a sepsis diagnosis.

History

The US Department of Health and Human Services Office of Inspector General (OIG) started taking a closer look at hospital billing practices of sepsis-related Diagnosis-Related-Groups (DRG's) in 2018. Sepsis, a complex and often ambiguous diagnosis, has seen a significant rise in reported cases. Some experts believe this may reflect inconsistent clinical criteria and financial incentives rather than true increases in incidence.

Due to the increase in cases seen and potential overpayments, the OIG announced in March of 2024 their intention to perform a nationwide audit analyzing 2023 Medicare claims to assess patterns in inpatient hospital billing for sepsis and septic-shock.

CareOregon began performing internal audits related to sepsis DRG hospital stays dating 2023-2024. Due to our findings, and in accordance with the OIG's findings and concerns, CareOregon is implementing the below policy.

Policy/Guidelines

CareOregon has made the determination to deny facility claims when all following criteria are met:

- DRG 871 and/or 872 billed
- Discharge status of:
  - 01= Discharge to home or self-care
  - 06= Discharged/transferred to home under care of organized home health service organization in anticipation of covered skills care
  - 07= Left against medical advice or discontinued care
- Length of stay is less than three (3) days
- Member is age 19 and older upon admission

CareOregon will continue to pay for all sepsis DRG claims under normal processing guidelines when:

- The member is age 18 yrs and under
- The claim is not paid by DRG (Diagnosis-Related Groups)

Appeals may be submitted, with supporting documentation, to the Provider appeals/reconsiderations section of the Connect Portal through the "Submit Claim Attachments" feature.

Definitions

OIG: Office of Inspector General

DRG: Diagnosis Related Group

References

ICD-10-CM Guidelines FY25 October 1 2024

Medicare Inpatient Hospital Billing for Sepsis

News: OIG to review Medicare inpatient hospital billing for sepsis | ACDIS