Dear Optum360 DRG Customer,

In response to the national emergency that was declared concerning the COVID-19 outbreak, the Centers for Disease Control and Prevention’s (CDC) National Center for Health Statistics (NCHS) implemented a new diagnosis code, U07.1, COVID-19, into the International Classification of Diseases, Tenth Revision, Clinical Modification (ICD-10-CM), effective April 1, 2020.

The Centers for Medicare & Medicaid Services (CMS) has released an update to the ICD-10 MS-DRG grouper software package to accommodate the new diagnosis code, U07.1 for COVID-19, effective with discharges on and after April 1, 2020.

The ICD-10 MS-DRG Grouper assigns each case into an MS-DRG based on the reported diagnosis and procedure codes and demographic information (age, sex, and discharge status).

Please see the below information on MS-DRG assignment.

Thank you for your patience and support of our ongoing efforts to deliver quality products. We value you as an Optum360 customer. Our customer service team is available should there be any questions, by calling 1.800.464.3649, option 1.

Sincerely,

Optum360

www.optum360coding.com

The assignment of new ICD-10-CM diagnosis code U07.1 COVID-19 is as follows:

<table>
<thead>
<tr>
<th>Diagnosis Code</th>
<th>Description</th>
<th>CC</th>
<th>MDC</th>
<th>MS-DRG</th>
</tr>
</thead>
<tbody>
<tr>
<td>U07.1</td>
<td>COVID-19</td>
<td>MCC</td>
<td>04</td>
<td>177, 178, 179</td>
</tr>
<tr>
<td></td>
<td></td>
<td>15</td>
<td>15</td>
<td>791, 793</td>
</tr>
<tr>
<td></td>
<td></td>
<td>25</td>
<td>25</td>
<td>974, 975, 976</td>
</tr>
</tbody>
</table>

When a patient is admitted with a diagnosis of COVID-19, and this diagnosis meets the definition of principal or first-listed diagnosis, code U07.1 COVID-19, should be sequenced first, followed by the appropriate codes for associated manifestations, except as otherwise guided by the classification and guidelines.

Code U07.1 is assigned to MDC 04 Diseases & Disorders of the Respiratory System. It is included in the Principal Diagnosis list for MS-DRGs 177, 178, 179 Respiratory Infections and Inflammations. Any manifestations would be coded as secondary diagnoses and would act as CC/MCC if they apply.

**DRG 177** Respiratory Infections and Inflammations with MCC

**DRG 178** Respiratory Infections and Inflammations with CC

**DRG 179** Respiratory Infections and Inflammations without CD/MCC
If the patient is placed on a ventilator, then MS-DRGs 207-208 would be assigned, dependent on the duration of the ventilator support.

**DRG 207** Respiratory System Diagnosis with Ventilator Support >96 Hours  
**DRG 208** Respiratory System Diagnosis with Ventilator Support <=96 Hours

In the case of newborns diagnosed during the birth episode, according to chapter-specific guidelines, a code from category Z38 is assigned as principal diagnosis and code U07.1 is assigned as a secondary diagnosis. Newborns are categorized in MDC 15 Newborns & Other Neonates with Conditions Originating in Perinatal Period.

Code U07.1 is listed in the secondary diagnosis Major Problems list for MS-DRGs 791 Prematurity with Major Problems and 793 Full Term Neonate with Major Problems.

**DRG 791** Prematurity with Major Problems  
**DRG 793** Full Term Neonate with Major Problems

If a patient is admitted with a principal diagnosis of COVID and has underlying HIV, the case is assigned to MDC 25 Human Immunodeficiency Virus Infections in MS-DRGs 974, 975, 976.

If the patient is admitted with an HIV principal diagnosis with a secondary diagnosis of COVID, the COVID code U07.1 acts as a major related condition to the HIV instead of an MCC, and the case is assigned to MDC 25 Human Immunodeficiency Virus Infections in MS-DRGs 974, 975, 976.

**DRG 974** HIV with Major Related Condition with MCC  
**DRG 975** HIV with Major Related Condition with CC  
**DRG 976** HIV with Major Related Condition without CC/MCC