

PROPERTY OF THE  
PUBLICATIONS BRANCH  
EDITORIAL LIBRARY

## Diagnosis-Related Groups Using Data From the National Hospital Discharge Survey: United States, 1985

by Edmund J. Graves, Division of Health Care Statistics

### Introduction

Diagnosis-related groups (DRG's) are used by the Health Care Financing Administration, some States, and some third-party payers as the basis for reimbursing hospitals for inpatient care.<sup>1</sup> The Federal application of DRG's is the prospective payment system for Medicare inpatients. The necessary patient information (diagnoses, procedures, age, and discharge status) to generate national estimates on hospital utilization for these categories is collected for the National Center for Health Statistics by means of the National Hospital Discharge Survey (NHDS). This report presents selected estimates for 1985 from NHDS on patients discharged from non-Federal short-stay hospitals by DRG.

In an attempt to control rising Medicare costs, the Health Care Financing Administration changed the basis for determining how hospitals are reimbursed for inpatient care. Under the Tax Equity and Fiscal Responsibility Act of 1983,<sup>2</sup> reimbursement for inpatient care changed from fee-for-service to a prospective payment system. Under this system a hospital is reimbursed a preestablished amount based on a series of calculations used to compute the average cost of care for patients with similar conditions and treatments. These similar conditions and treatments are defined as a set of mutually exclusive categories called diagnosis-related groups, or DRG's.

The prospective payment system using DRG's was implemented on October 1, 1983. Individual hospitals started in the system beginning with their first fiscal year after this date. Therefore, by September 30, 1984, all hospitals designated to be under DRG reimbursement were in the system. Two previous reports on DRG's published by the National Center for Health Statistics<sup>3,4</sup> included data on the most frequent DRG's. A more detailed report on DRG's was published in a series 13 *Vital and Health Statistics* report.<sup>5</sup>

DRG's were developed at the Yale School of Organization and Management under the guiding principle that "The primary objective in the construction of DRG's was a definition of case type, each of which could be expected to receive similar outputs or services from a hospital."<sup>6</sup> Initially there were 470 DRG's used in the prospective payment system, each with an associated relative cost weight used to establish the prospective payment for a patient in each DRG. This approach to health care reimbursement operates on the premise that patients with similar medical conditions should receive similar care and use approximately the same resources. Therefore, although there is a variation in resource consumption among patients within a DRG, this variation is expected to balance out across the range of all patients.

A detailed description of the development and construction of DRG's is available,<sup>6</sup> and current DRG's and relative cost weights are published in the Federal Register. DRG's and the relative cost weights are subject to modification for a number of reasons. Therefore, it is important for anyone using DRG data to examine changes in the system that could affect their analysis.

The statistics in this report are based on data collected by the National Center for Health Statistics by means of the National Hospital Discharge Survey (NHDS), which is a continuous voluntary survey conducted since 1965. The data for the survey are obtained from a sample of inpatient medical records from a national sample of short-stay general and specialty hospitals located in the United States. A detailed report on the design of NHDS was published in 1970.<sup>7</sup> In 1985, for the first time, two data collection procedures were used in NHDS. The traditional procedure involves a manual system of data abstraction in the hospitals; the new procedure is an automated method that involves the purchase of data tapes from commercial abstracting services. The new procedure is used in 17 percent of the hospitals.

Approximately 194,800 medical records from 414 hospitals were included in the 1985 survey. The relevant variables required to produce DRG's (diagnoses, procedures, sex, age, and other variables) were abstracted from the face sheet of each sampled medical record, and NHDS data thereby could be used to produce national estimates of DRG's. These estimates may be of value for hospitals to compare their experience with that of other hospitals. For this reason, statistics in this report are frequency estimates and associated average length of stay for DRG's by U.S. totals, hospital size, and region of the country.

## Highlights

The frequency and average length of stay for the most common DRG's are presented by age, region of the country, and hospital size in tables 1-4. Age is dichotomized as under 65 years of age and 65 years of age and over. This allows a comparison with the Medicare population because Medicare covers most hospital costs for approximately 95 percent of discharges 65 years of age and over. Tables 1 and 2 provide regional data, and tables 3 and 4 provide bed-size data for these DRG's. Tables 1 and 3 contain findings for patients under 65 years of age, and tables 2 and 4 include the survey results for patients 65 years of age and over.

By definition, some DRG's are only for patients in a specific age range. In such a case the DRG title and the table title (tables 1-4) together define the age group of the estimate. That is, the most restrictive case of either the table or DRG title determines the age group of the estimate. For example, "diabetes, age 36 or over" in table 2 refers only to patients 65 years of age and over because of the table title; "simple pneumonia and pleurisy, age 70 or over and/or substantial comorbidity and complication" in table 2 would not include a patient under 70 years of age because of the restriction in the DRG title.

The most common DRG for patients under 65 years of age was "vaginal delivery without complicating diagnoses" (table 1), with an estimated 2.6 million discharges in 1985. "Cesarean section without substantial comorbidity and/or complication," with 761,000 discharges, and "medical back problems," with 741,000 discharges, also were among the most frequent DRG's in this age group. For patients 65 years of age and older (table 2) "heart failure and shock" was the most common DRG (469,000 discharges), and "simple pneumonia and pleurisy, age 70 or over and/or substantial comorbidity and complication" and "specific cerebrovascular disorders except transient ischemic attacks," with 357,000 and 350,000 discharges respectively, were the next most common DRG's for the elderly.

The average length of stay for specific DRG's in the four regions of the country generally reflected the pattern

found for all patients. Regional length-of-stay differences were greater for patients 65 years of age or over than for younger patients. The Northeast had an average length of stay of 6.1 days for patients under 65 years of age, and the West had an average length of stay of 4.7 days, a difference of 1.4 days, or 30 percent greater. For older patients, however, the Northeast had an average length of stay 3.8 days greater than for the elderly patients in the West (11.0 versus 7.2 days), a difference of 53 percent.

Overall there was a tendency for length of stay to increase with hospital size (tables 3 and 4) for patients under 65 years of age as well as for older patients. However, the average length of stay in small and medium-size hospitals for some of the individual DRG's is equal to or greater than the average length of stay in large hospitals (500 or more beds).

The average length of stay associated with a DRG (tables 1-4) allows hospitals to compare their experience with that of other hospitals. Though comparison is tenuous on a case-by-case basis, an administrator of a hospital with an average length of stay 2, 3, or more days longer than the national average for a specific DRG may want to examine why the hospital is so far from the norm. This kind of comparison may be worthwhile as a starting point, but it is important to remember that, even within a DRG, average length of stay is not an exact measure of resource consumption.

When making these comparisons of average length of stay, the general downward trend in the lengths of hospital visits for the previous 16 years should be noted. There has been a steady decline in average length of stay in all regions of the country since 1970, with a more precipitous fall in the last 5 years.<sup>5</sup> That is, although average length of stay for all patients aged 65 and over declined 2.6 days during the 11-year period 1970-81, an average drop of 0.24 days per year, the drop from 1981 through 1985 was 1.8 days, or 0.36 days per year.

One of the expected outcomes of the prospective payment system was an overall reduction in length of stay. Given the existing trend it may be difficult to evaluate the effects of DRG's on average length of stay because it decreased significantly before the DRG program and because there is a threshold effect for this variable. That is, at a certain point, length of stay cannot be further reduced. The data in table 5 give the year-to-year percent change in length of stay from 1980 through 1985. It is evident from this table that in 1984 there was a larger reduction in average length of stay than in previous years for patients 65 years of age and over—patients most affected by changes in the Medicare system. However, the change in average length of stay was not significant in 1985 when compared with 1984 for patients under 65 years of age, and it is possible that further reduction in average length of stay may be difficult to obtain.

**Table 1. Number of discharges and average length of stay of patients under 65 years of age discharged from short-stay hospitals, by selected diagnosis-related groups and geographic region: United States, 1985**

[Discharges from non-Federal short-stay hospitals. Excludes newborn infants]

Diagnosis-related group	All regions					All regions				
	Northwest	Northeast	Midwest	South	West	Northwest	Northeast	Midwest	South	West
	Number in thousands					Average length of stay in days				
All discharges . . . . .	24,548	4,816	6,288	8,930	4,514	5.5	6.1	5.9	5.2	4.7
Vaginal delivery without complicating diagnoses . . .	2,552	463	638	853	599	2.6	3.0	2.9	2.6	2.0
Cesarean section without substantial comorbidity and/or complication . . . . .	761	133	181	277	170	5.0	5.8	5.3	4.9	4.4
Medical back problems . . . . .	741	123	171	316	131	5.6	6.9	5.8	5.6	3.8
Nonradical hysterectomy, age less than 70 years without substantial comorbidity and/or complication . . . . .	503	60	115	221	107	5.9	6.8	6.2	6.1	4.9
Psychoses . . . . .	478	125	144	119	90	15.5	19.0	15.9	13.6	12.4
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 18-69 without substantial comorbidity and/or complication . . . . .	412	62	104	201	46	3.5	3.8	3.6	3.5	2.8
Unrelated operating room procedure . . . . .	317	58	89	115	55	10.4	12.7	10.1	10.3	8.5
Alcohol and substance-induced organic mental syndrome . . . . .	310	132	92	51	35	9.9	9.3	12.8	7.3	8.2
Bronchitis and asthma age under 18 . . . . .	302	54	80	130	38	3.5	3.3	3.9	3.6	2.8
Back and neck procedures age under 70 without substantial comorbidity and/or complication . . . . .	273	35	65	114	60	8.9	10.0	8.6	9.3	7.7
Esophagitis, gastroenteritis, and miscellaneous digestive disorders age under 18 . . . . .	268	46	77	114	31	3.3	3.0	3.4	3.7	2.3
Angina pectoris . . . . .	234	63	49	83	39	4.0	4.6	4.1	3.9	3.0
Other antepartum diagnoses with medical complications . . . . .	230	37	60	88	45	3.6	4.3	3.7	3.5	2.9
Vaginal delivery with sterilization and/or dilation and curettage of uterus . . . . .	222	32	44	106	39	3.2	3.5	3.5	3.2	2.8
Abortion with dilation and curettage of uterus . . . . .	221	81	38	72	30	1.6	1.7	1.6	1.5	1.4
Uterus and adnexa procedure for non-malignancy except tubal interruption . . . . .	217	44	53	75	45	5.0	5.2	4.9	5.4	4.3
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 70 or over and/or substantial comorbidity and/or complication . . . . .	216	34	52	94	37	4.7	4.9	5.1	4.7	4.0
Simple pneumonia and pleurisy age under 18 . . . . .	211	25	59	102	25	4.2	4.5	4.4	4.0	4.5
Circulatory disorders except acute myocardial infarction, with cardiac catheterization without complex diagnosis . . . . .	211	38	70	73	31	2.8	2.9	2.7	3.3	2.0
Foot procedures . . . . .	211	28	50	92	40	3.1	3.5	3.7	2.9	2.9
Inguinal and femoral hernia procedures age 18-69 without substantial comorbidity and/or complication . . . . .	202	49	52	67	34	2.8	2.7	2.7	3.3	1.7
Bronchitis and asthma age 18-69 without substantial comorbidity and/or complication . . . . .	194	41	47	73	34	4.5	4.9	4.2	4.8	3.6
Circulatory disorders with acute myocardial infarction without cardiovascular complications, discharged alive . . . . .	192	40	44	77	31	7.7	9.1	8.1	7.3	6.5
Vaginal delivery with complicating diagnoses . . . . .	190	29	49	70	42	3.5	4.2	3.6	3.7	2.7
Appendectomy without complicated principal diagnosis age under 70 without substantial comorbidity and/or complication . . . . .	189	35	49	63	43	3.7	4.1	3.8	3.7	3.4
Tonsillectomy and/or adenoidectomy only, age under 18 . . . . .	187	33	54	75	27	1.5	2.0	1.3	1.6	1.1
Other factors influencing health status . . . . .	186	39	44	59	45	3.8	4.2	4.5	3.1	3.6

**Table 2. Number of discharges and average length of stay of patients 65 years of age and over discharged from short-stay hospitals, by selected diagnosis-related groups and geographic region: United States, 1985**

[Discharges from non-Federal short-stay hospitals. Excludes newborn infants]

Diagnosis-related group	All regions					All regions				
	Northeast	Midwest	South	West	Northeast	Midwest	South	West		
	Number in thousands					Average length of stay in days				
All discharges . . . . .	10,508	2,353	2,823	3,344	1,988	8.7	11.0	8.6	8.2	7.2
Heart failure and shock . . . . .	469	123	128	142	76	7.9	9.7	8.0	7.1	6.7
Simple pneumonia and pleurisy age 70 or over and/or substantial comorbidity and complication . . . . .	357	74	98	117	68	9.2	11.7	9.0	8.3	8.2
Specific cerebrovascular disorders except transient ischemic attacks . . . . .	350	75	87	120	68	12.0	17.1	12.4	10.5	8.3
Angina pectoris . . . . .	316	78	75	107	55	5.2	6.0	5.1	5.3	4.0
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 70 or over and/or substantial comorbidity and complication . . . . .	296	63	79	110	45	6.2	8.1	6.3	5.5	4.7
Chronic obstructive pulmonary disease . . . . .	257	60	53	92	52	8.2	10.3	8.7	7.5	6.4
Cardiac arrhythmia and conduction disorders age 70 or over and/or substantial comorbidity and complication . . . . .	248	56	67	77	49	5.9	7.1	5.7	5.8	5.2
Nutritional and miscellaneous metabolic disorders age 70 or over and/or substantial comorbidity and complication . . . . .	217	42	57	76	42	7.4	8.8	7.2	7.4	6.2
Unrelated operating room procedure . . . . .	196	57	51	52	36	16.1	21.0	15.5	15.0	11.1
Bronchitis and asthma age 70 or over and/or substantial comorbidity and complication . . . . .	188	41	45	68	34	7.0	7.8	6.4	7.4	6.0
Transient ischemic attacks . . . . .	184	42	52	58	33	5.7	8.4	5.3	5.2	3.9
Atherosclerosis age 70 or over and/or substantial comorbidity and complication . . . . .	179	43	38	67	30	7.0	10.2	6.0	6.4	4.8
Circulatory disorders with acute myocardial infarction without cardiovascular complications, discharged alive . . . . .	172	38	41	62	31	8.9	11.1	9.1	8.2	7.6
Transurethral prostatectomy age 70 or over and/or substantial comorbidity or complication . . . . .	169	33	48	57	31	7.0	9.3	6.7	7.0	4.8
Kidney and urinary tract infections age 70 or over and/or substantial comorbidity or complication . . . . .	168	32	42	70	25	7.7	10.4	7.3	7.0	6.7
Major joint procedures . . . . .	168	33	59	38	37	14.9	19.3	14.0	14.7	12.7
Medical back problems . . . . .	158	33	42	51	31	7.7	10.2	6.7	8.3	5.3
Gastrointestinal hemorrhage age 70 or over and/or substantial comorbidity and complication . . . . .	153	36	39	47	31	6.9	8.2	7.1	6.9	5.3
Hip and femur procedures except major joint age 70 or over and/or substantial comorbidity and complication . . . . .	148	34	41	40	33	15.8	22.5	13.6	13.7	14.2
Respiratory neoplasms . . . . .	139	33	35	49	21	7.9	10.4	7.4	7.4	5.9
Lens procedures . . . . .	138	49	44	18	26	1.8	1.9	1.9	1.9	1.3
Diabetes age 36 or over . . . . .	137	35	35	50	18	7.7	9.6	7.4	7.6	4.9
Circulatory disorders with acute myocardial infarction and cardiovascular complications, discharged alive . . . . .	134	34	32	47	22	11.2	13.1	11.8	9.8	10.1
Major small and large bowel procedures age 70 or over and/or substantial comorbidity and complication . . . . .	123	26	34	39	24	16.3	18.8	15.8	15.7	15.3
Red blood cell disorders age 18 or over . . . . .	106	24	26	32	24	6.6	8.8	6.8	6.1	4.8

**Table 3. Number of discharges and average length of stay of patients under 65 years of age discharged from short-stay hospitals, by selected diagnosis-related groups and hospital bed size: United States, 1985**

[Discharges from non-Federal short-stay hospitals. Excludes newborn infants]

Diagnosis-related group	All hospitals	6-99 beds	100-199 beds	200-299 beds	300-499 beds	500 beds or more	All hospitals	6-99 beds	100-199 beds	200-299 beds	300-499 beds	500 beds or more
	Number in thousands						Average length of stay in days					
All discharges . . . . .	24,548	3,550	4,625	4,618	5,982	5,773	5.5	4.5	4.9	5.3	5.7	6.4
Vaginal delivery without complicating diagnoses . . . . .	2,552	355	437	440	690	630	2.6	2.1	2.5	2.5	2.7	2.9
Cesarean section without substantial comorbidity and/or complication . . . . .	761	81	137	130	212	201	5.0	4.5	4.7	4.8	5.1	5.6
Medical back problems . . . . .	741	130	170	166	147	127	5.6	6.1	5.2	5.0	6.2	5.5
Nonradical hysterectomy, age less than 70 years without substantial comorbidity and/or complication . . . . .	503	65	123	96	112	106	5.9	5.6	5.8	5.9	6.1	6.3
Psychoses . . . . .	478	67	78	71	142	121	15.5	17.0	16.0	13.1	13.9	17.6
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 18-69 without substantial comorbidity and/or complication . . . . .	412	94	87	82	81	69	3.5	2.8	3.4	3.6	3.9	3.8
Unrelated operating room procedure . . . . .	317	21	48	59	84	105	10.4	6.4	9.0	10.5	10.0	12.0
Alcohol and substance-induced organic mental syndrome . . . . .	310	100	36	51	80	43	9.9	8.8	8.8	11.3	11.3	8.7
Bronchitis and asthma age under 18 . . . . .	302	50	83	64	55	50	3.5	3.3	3.4	3.9	3.3	3.6
Back and neck procedures age under 70 without substantial comorbidity and/or complication . . . . .	273	25	44	54	57	94	8.9	9.8	7.9	8.5	9.5	8.9
Esophagitis, gastroenteritis, and miscellaneous digestive disorders age under 18 . . . . .	268	42	64	53	57	53	3.3	2.6	3.2	3.0	3.5	4.2
Angina pectoris . . . . .	234	49	54	55	45	30	4.0	3.4	3.8	4.2	4.3	4.7
Other antepartum diagnoses with medical complications . . . . .	230	35	44	33	58	60	3.6	2.7	3.1	3.3	3.8	4.3
Vaginal delivery with sterilization and/or dilation and curettage of uterus . . . . .	222	42	47	37	44	53	3.2	3.0	3.1	3.2	3.3	3.4
Abortion with dilation and curettage of uterus . . . . .	221	22	36	39	54	70	1.6	1.5	1.5	1.6	1.7	1.5
Uterus and adenexa procedure for non-malignancy except tubal interruption . . . . .	217	28	49	38	50	51	5.0	4.8	4.9	4.6	5.2	5.3
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 70 or over and/or substantial comorbidity and/or complication . . . . .	216	54	41	47	44	30	4.7	4.0	5.0	5.1	4.6	5.4
Simple pneumonia and pleurisy age under 18 . . . . .	211	57	57	40	27	30	4.2	3.5	4.4	4.4	4.4	4.8
Circulatory disorders except acute myocardial infarction, with cardiac catheterization without complex diagnosis . . . . .	211	-	*8	39	63	101	2.8		*2.5	2.4	2.6	3.2
Foot procedures . . . . .	211	48	82	28	32	21	3.1	2.7	2.5	3.2	3.5	5.8
Inguinal and femoral hernia procedures age 18-69 without substantial comorbidity and/or complication . . . . .	202	32	37	44	49	40	2.8	2.8	3.3	2.5	2.6	2.8
Bronchitis and asthma age 18-69 without substantial comorbidity and/or complication . . . . .	194	36	46	42	34	36	4.5	4.2	4.5	4.4	4.4	4.9
Circulatory disorders with acute myocardial infarction without cardiovascular complications, discharged alive . . . . .	192	34	34	44	43	38	7.7	6.0	8.1	8.1	7.7	8.5
Vaginal delivery with complicating diagnoses . . . . .	190	25	31	32	49	54	3.5	2.8	3.5	3.2	3.5	4.2
Appendectomy without complicated principal diagnosis age under 70 without substantial comorbidity and/or complication . . . . .	189	37	36	37	46	32	3.7	3.9	3.5	3.5	3.8	3.9
Tonsillectomy and/or adenoidectomy only, age under 18 . . . . .	187	29	50	40	43	26	1.5	1.4	1.5	1.3	1.8	1.4
Other factors influencing health status . . . . .	186	18	28	38	47	55	3.8	4.0	3.2	5.1	3.1	3.7

**Table 4. Number of discharges and average length of stay of patients 65 years of age and over discharged from short-stay hospitals, by selected diagnosis-related groups and hospital bed size: United States, 1985**

[Discharges from non-Federal short-stay hospitals. Excludes newborn infants]

Diagnosis-related group	All hospitals	6-99 beds	100-199 beds	200-299 beds	300-499 beds	500 beds or more	All hospitals	6-99 beds	100-199 beds	200-299 beds	300-499 beds	500 beds or more
	Number in thousands						Average length of stay in days					
All discharges . . . . .	10,508	1,781	1,818	2,335	2,643	1,930	8.7	6.6	7.9	8.9	9.4	10.3
Heart failure and shock . . . . .	469	103	91	106	107	62	7.9	6.6	7.8	8.4	8.6	8.7
Simple pneumonia and pleurisy age 70 or over and/or substantial comorbidity and complication . . . . .	357	103	59	75	74	46	9.2	8.1	8.0	9.6	10.3	10.8
Specific cerebrovascular disorders except transient ischemic attacks . . . . .	350	65	61	82	81	62	12.0	8.5	9.6	14.3	12.4	14.3
Angina pectoris . . . . .	316	76	64	75	65	35	5.2	4.1	5.2	5.0	6.0	6.2
Esophagitis, gastroenteritis, and miscellaneous digestive disease age 70 or over and/or substantial comorbidity and complication . . . . .	296	77	59	61	60	39	6.2	5.0	5.6	7.0	7.3	6.3
Chronic obstructive pulmonary disease . . . . .	257	54	57	58	60	28	8.2	6.6	7.3	8.7	8.7	11.1
Cardiac arrhythmia and conduction disorders age 70 or over and/or substantial comorbidity and complication . . . . .	248	49	47	57	61	34	5.9	4.8	5.6	6.0	6.3	7.3
Nutritional and miscellaneous metabolic disorders age 70 or over and/or substantial comorbidity and complication . . . . .	217	51	40	48	50	28	7.4	6.4	7.5	7.5	7.5	8.5
Unrelated operating room procedure . . . . .	196	15	33	47	59	42	16.1	16.0	13.7	16.0	16.8	17.4
Bronchitis and asthma age 70 or over and/or substantial comorbidity and complication . . . . .	188	41	32	47	39	28	7.0	6.1	7.1	7.4	6.6	8.1
Transient ischemic attacks . . . . .	184	37	36	42	43	26	5.7	4.4	4.8	6.2	6.4	7.1
Atherosclerosis age 70 or over and/or substantial comorbidity and complication . . . . .	179	36	31	46	43	23	7.0	5.0	6.4	7.5	7.8	8.3
Circulatory disorders with acute myocardial infarction without cardiovascular complications, discharged alive . . . . .	172	32	31	42	34	32	8.9	7.0	8.9	9.0	9.9	9.7
Transurethral prostatectomy age 70 or over and/or substantial comorbidity or complication . . . . .	169	19	32	41	46	31	7.0	5.6	6.8	6.1	7.9	7.8
Kidney and urinary tract infections age 70 or over and/or substantial comorbidity or complication . . . . .	168	45	29	34	36	25	7.7	5.9	7.2	9.5	7.7	8.9
Major joint procedures . . . . .	168	12	30	41	50	34	14.9	13.8	13.4	15.2	15.5	15.4
Medical back problems . . . . .	158	33	29	34	39	23	7.7	6.3	7.3	8.6	7.6	8.7
Gastrointestinal hemorrhage age 70 or over and/or substantial comorbidity and complication . . . . .	153	32	29	33	34	25	6.9	5.8	6.5	6.4	8.5	7.2
Hip and femur procedures except major joint age 70 or over and/or substantial comorbidity and complication . . . . .	148	20	28	34	41	25	15.8	12.4	15.2	15.7	15.9	19.0
Respiratory neoplasms . . . . .	139	14	23	31	39	31	7.9	6.7	7.4	7.9	7.5	9.2
Lens procedures . . . . .	138	14	25	30	40	29	1.8	1.2	1.7	1.9	1.8	2.0
Diabetes age 36 or over . . . . .	137	31	26	24	32	24	7.7	5.8	6.7	8.7	8.3	9.5
Circulatory disorders with acute myocardial infarction and cardiovascular complications, discharged alive . . . . .	134	24	24	28	40	18	11.2	8.8	10.4	12.4	11.6	12.4
Major small and large bowel procedures age 70 or over and/or substantial comorbidity and complication . . . . .	123	20	24	30	27	23	16.3	13.7	16.6	15.4	17.4	18.4
Red blood cell disorders age 18 or over . . . . .	106	20	15	27	27	17	6.6	4.8	5.5	7.2	7.6	7.0

**Table 5. Annual percent change in average length of stay by age and region, United States, 1980-85**

[Discharges from non-Federal short-stay hospitals. Excludes newborn infants]

Age and region	Year					
	1980	1981	1982	1983	1984	1985
Under 65 years						
	Percent					
Northeast . . . . .	+0.27	-1.73	-1.88	-3.10	-2.64	-0.32
Midwest . . . . .	+1.64	-2.22	+1.20	-2.72	-2.12	-1.40
South . . . . .	-0.58	-0.04	-2.17	-0.54	-6.23	+0.34
West . . . . .	+1.92	-0.35	-2.76	-1.75	-0.22	-5.67
65 years and over						
Northeast . . . . .	-0.59	-0.46	-6.16	-1.32	-6.57	-2.88
Midwest . . . . .	+1.50	-2.56	-2.30	-6.42	-9.68	-1.63
South . . . . .	-0.99	-0.39	-4.38	-3.41	-8.05	-2.71
West . . . . .	-4.37	-3.49	-0.52	-2.87	-7.81	-2.25

**Symbols**

- - - Data not available
- . . . Category not applicable
- Quantity zero
- 0.0 Quantity more than zero but less than 0.05
- Z Quantity more than zero but less than 500 where numbers are rounded to thousands
- \* Figure does not meet standards of reliability or precision
- # Figure suppressed to comply with confidentiality requirements

**References**

<sup>1</sup>J. Alsofrom: Playing the numbers. *Med. World News*, Oct. 24, 1983, pp. 38-55.

<sup>2</sup>Tax Equity and Fiscal Responsibility Act. United States Congress, September 3, 1983.

<sup>3</sup>National Center for Health Statistics, R. Pokras: Diagnosis-related groups using data from the National Hospital Discharge Survey, United States, 1981. *Advance Data From Vital and Health Statistics*. No. 98. DHHS Pub. No. (PHS) 84-1250. Public Health Service. Hyattsville, Md., July 20, 1984.

<sup>4</sup>National Center for Health Statistics, R. Pokras and K. K. Kubishke: Diagnosis-related groups using data from the National Hospital Discharge Survey, United States, 1982. *Advance Data From Vital and Health Statistics*. No. 105. DHHS Pub. No. (PHS) 85-1250. Public Health Service. Hyattsville, Md., Jan. 18, 1985.

<sup>5</sup>National Center for Health Statistics, R. Pokras: Utilization of short-stay hospitals by diagnosis-related groups, United States, 1980-84. *Vital and Health Statistics*. Series 13, No. 87. DHHS Pub. No. (PHS) 86-1748. Public Health Service. Washington. U.S. Government Printing Office, July 1986.

<sup>6</sup>R. B. Fetter, S. Youngsoo, J. L. Freeman, et al.: Case mix definition by diagnostic related groups. *Med. Care* 18(2), Supplement. (Copyright 1980: Used with the permission of *Medical Care*.)

<sup>7</sup>National Center for Health Statistics, W. R. Simmons and G. A. Schnack: Development of the design of the NCHS Hospital Discharge Survey. *Vital and Health Statistics*. Series 2, No. 39. DHEW Pub. No. (HRA) 77-1199. Health Resources Administration. Washington. U.S. Government Printing Office, May 1977.

<sup>8</sup>National Center for Health Statistics, M. G. Sirken: Utilization of short-stay hospitals, summary of nonmedical statistics, United States, 1965. *Vital and Health Statistics*. Series 13, No. 2. PHS Pub. No. 1000. Public Health Service. Washington. U.S. Government Printing Office, Aug. 1967.

<sup>9</sup>National Center for Health Statistics, M. J. Witken: Utilization of short-stay hospitals by characteristics of discharged patients, United States, 1965. *Vital and Health Statistics*. Series 13, No. 3. PHS Pub. No. 1000. Public Health Service. Washington. U.S. Government Printing Office, Dec. 1967.

## Technical notes

### Survey methodology

#### Source of data

The National Hospital Discharge Survey (NHDS) encompasses patients discharged from short-stay hospitals, exclusive of military and Veterans Administration hospitals, located in the 50 States and the District of Columbia. Only hospitals with six beds or more and an average length of stay of less than 30 days for all patients are included in the survey. Discharges of newborn infants are excluded from this report.

The universe of the survey consists of 6,965 short-stay hospitals contained in the 1963 Master Facility Inventory of Hospitals and Institutions. New hospitals were sampled for inclusion in the survey in 1972, 1975, 1977, 1979, 1981, 1983, and 1985. In all, 558 hospitals were sampled in 1985. Of these hospitals, 82 refused to participate, and 62 were out of scope. The 414 participating hospitals provided approximately 194,800 abstracts of medical records.

#### Sample design and data collection

All hospitals with 1,000 beds or more in the universe of short-stay hospitals were selected with certainty in the sample. All hospitals with fewer than 1,000 beds were stratified, the primary strata being 24 size-by-region classes. Within each of these primary strata, the allocation of the hospitals was made through a controlled selection technique so that hospitals in the sample would be properly distributed with regard to type of ownership and geographic division. Sample hospitals were drawn with probabilities ranging from certainty for the largest hospitals to 1 in 40 for the smallest hospitals. The within-hospital sampling ratio for selecting sample discharges varied inversely with the probability of selection of the hospital.

In the 1985 survey, two data-collection procedures were used for the first time. One was the traditional manual system of sample selection and data abstraction. The other was an automated method used in approximately 17 percent of the sample hospitals, involving the purchase of data tapes from commercial abstracting services.

In the manual hospitals, sample discharges were selected using the daily listing sheet of discharges as the sampling frame. These discharges were selected by a random technique, usually on the basis of the terminal digit or digits of the patient's medical record number. The sample selection and abstraction of data from the face sheet and discharge summary of the medical records were performed by the hospital staff or by representatives of the National Center for Health Statistics (NCHS). The completed forms were forwarded to NCHS for coding, editing, and weighting procedures.

For the automated hospitals, tapes containing machine-readable medical record data were purchased from commercial abstracting services. These tapes are subject to NCHS sampling, editing, and weighting procedures. A detailed description of the automated process is to be published.

The Medical Abstract Form and the abstract service data tapes contain items relating to the personal characteristics of the patient, including birth date, sex, race, and marital status but not name and address; administrative information, including admission and discharge dates, discharge status, and medical record number; and medical information, including diagnoses and surgical and nonsurgical operations or procedures. Since 1977, patient zip code, expected source of payment, and dates of surgery also have been collected. (The medical record number and patient zip code are considered confidential information and are not available to the public.)

#### Presentation of estimates

Statistics produced by NHDS are derived by a complex estimating procedure. The basic unit of estimation is the sample inpatient discharge abstract. The estimating procedure used to produce essentially unbiased national estimates in NHDS has three principal components: inflation by reciprocals of the probabilities of sample selection, adjustment for nonresponse, and ratio adjustment to fixed totals. These components of estimation are described in appendix I of two earlier publications.<sup>8,9</sup>

Based on consideration of the complete sample design of NHDS, the following guidelines are used for presenting NHDS estimates in this report.

- If the sample is less than 30, the value of the estimate is not reported. Only an asterisk (\*) is shown in the tables.
- If the sample size is 30–59, the value of the estimate is reported but should be used with caution. The estimate is preceded by an asterisk (\*) in the tables.

#### Diagnosis-related groups

The DRG's to which this report refers were produced using the DRG program available in the summer of 1983 and are identical to those in the Friday, August 31, 1984, issue of the Federal Register. This is a computer program that groups patients into DRG's based on diagnostic, surgical, and patient information. The actual program used to produce estimates in this report was obtained from the Health Care Financing Administration. The entire NHDS file, including outliers, was used to produce estimates. No data were excluded or trimmed because of abnormal length of stay.

In publications from the National Center for Health Statistics using NHDS data, several schemes have been used to group patients into categories based on either their diagnosis or the procedures performed. These groups were developed to report general purpose statistics to the many users of NHDS data, and any similarity between the titles of those categories and DRG titles is coincidental.



**Sampling errors and rounding of numbers**

The standard error is a measure of the sampling variability that occurs by chance because only a sample, rather than an entire universe, is surveyed. The relative standard error of the estimate is obtained by dividing the standard error by the estimate itself and is expressed as a percent of the estimate. Table I shows 1985 relative standard errors for discharges. The standard errors for average lengths of stay are shown in table II. Estimates have been rounded to the nearest thousand. For this reason detailed figures within tables do not always add to the totals.

**Table I. Approximate relative standard errors of estimated number of discharges and first-listed diagnoses: United States, 1985**

Size of estimate	Relative standard error
10,000	10.6
50,000	6.7
100,000	5.7
300,000	4.4
500,000	4.0
1,000,000	3.5
4,000,000	2.1

**Table II. Approximate standard errors of average lengths of stay by number of discharges: United States, 1985**

Number of discharges	Average length of stay in days			
	2	6	10	20
	Standard error in days			
10,000	0.4	0.9	1.5	2.7
50,000	0.2	0.6	1.0	1.8
100,000	0.2	0.5	0.8	1.6
500,000	0.1	0.4	0.6	1.1
1,000,000	0.1	0.3	0.5	1.0
5,000,000	0.1	0.3	0.4	0.8

**Tests of significance**

In this report, the determination of statistical inference is based on the two-tailed Bonferroni test for multiple comparisons. Terms such as "higher" and "less" in relation to differences indicate that the differences are statistically significant. Terms such as "similar" or "no difference" mean that no statistically significant difference exists between the estimates being compared. A lack of comment on the difference between any two estimates does not mean the difference was tested and found to be not significant.

**Definitions of terms used in this report**

**Patient**—A person who is formally admitted to the inpatient service of a short-stay hospital for observation, care, diagnosis, or treatment is considered a patient. In this report the number of patients refers to the number of discharges during the year, including any multiple discharges of the same individual from one short-stay hospital or more.

**Discharge**—Discharge is the formal release of a patient by a hospital; that is, the termination of a period of hospitalization by death or by disposition to place of residence, nursing home, or another hospital. The terms "discharges" and "patients discharged" are used synonymously.

**Average length of stay**—The average length of stay is the total number of patient days accumulated at time of discharge by patients discharged during the year divided by the number of patients discharged.

**Age**—Patient's age refers to age at birthday prior to admission to the hospital inpatient service.

**Geographic region**—Hospitals are classified by location in one of the four geographic regions of the United States that correspond to those used by the U.S. Bureau of the Census.

Region	States included
Northeast . . . . .	Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, and Pennsylvania
Midwest . . . . .	Michigan, Ohio, Illinois, Indiana, Wisconsin, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, and Kansas
South . . . . .	Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida, Kentucky, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, and Texas
West . . . . .	Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada, Washington, Oregon, California, Hawaii, and Alaska

**Hospitals**—Short-stay special and general hospitals have six beds or more for inpatient use and an average length of stay of less than 30 days. Federal hospitals and hospital units of institutions are not included.

**Bed size of hospital**—Size is measured by the number of beds, cribs, and pediatric bassinets regularly maintained (set up and staffed for use) for patients; bassinets for newborn infants are not included. In this report the classification of hospitals by bed size is based on the number of beds at or near midyear reported by the hospitals.

---

**Recent Issues of *Advance Data From Vital and Health Statistics***

**No. 136.** Aging in the Eighties: Ability to Perform Work-Related Activities (Issued May 8, 1987)

**No. 135.** Use of Nursing Homes by the Elderly: Preliminary Data From the 1985 National Nursing Home Survey (Issued May 14, 1987)

**No. 134.** Highlights of Drug Utilization in Office Practice: National Ambulatory Medical Care Survey, 1985 (Issued May 19, 1987)

**No. 133.** Aging in the Eighties: Functional Limitations of Individuals Aged 65 and Over (Issue date forthcoming)

**No. 132.** Acute Conditions and Restricted Activity During the 1985-86 Influenza Season (Issued March 27, 1987)

---

**Suggested citation**

National Center for Health Statistics, E. J. Graves: Diagnosis-related groups using data from the National Hospital Discharge Survey, United States, 1985. *Advance Data From Vital and Health Statistics*, No. 137. DHHS Pub. No. (PHS) 87-1250. Public Health Service, Hyattsville, Md., July 2, 1987.

---

**Copyright Information**

This report may be reprinted without further permission.

---

U.S. DEPARTMENT OF HEALTH AND  
HUMAN SERVICES  
Public Health Service  
National Center for Health Statistics  
3700 East-West Highway  
Hyattsville, Maryland 20782

BULK RATE POSTAGE & FEES PAID PHS/NCHS PERMIT NO. G-281
--

---

OFFICIAL BUSINESS  
PENALTY FOR PRIVATE USE, \$300

---

To receive this publication regularly, contact the National Center for Health Statistics by calling 301 436-8500

---