



## Department of Health

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Executive Deputy Commissioner

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### RE: Coding and Reimbursement for Sepsis

Dear Health Plan Administrator:

Sepsis is a heterogeneous disease process that can be difficult to define. The definition that is most widely accepted and adopted by the medical community (Sepsis-2) describes the disease process as an inflammatory response to a known or suspected infection. In February 2016, a definition of sepsis was introduced by "*The Third International Consensus Definitions for Sepsis and Septic Shock*", which narrowed the breadth of the previous sepsis definition, describing sepsis as a life-threatening organ dysfunction caused by a dysregulated host response to an infection. This narrower definition of sepsis (Sepsis-3) is associated with issues that affect its practical adoption in New York State (NYS), mainly because it conflicts with how sepsis is defined in New York Codes, Rules and Regulations (NYCRR), and how sepsis is reported and billed using the ICD-10 coding classification system:

-10 NYCRR § 405.4(a)(8) defines sepsis as a confirmed or suspected infection accompanied by two systemic inflammatory response syndrome criteria, a definition that is consistent with Sepsis-2, not Sepsis-3.

-The ICD-10 coding classification system and 10 NYCRR § 405.4(a)(8) distinguish between "sepsis" and "severe sepsis", a distinction consistent with Sepsis-2, not Sepsis-3.

-The ICD-10-CM/PCS MS-DRG v34.0 Definitions Manual lists Systemic Inflammatory Response Syndrome (SIRS) as one of the principle diagnoses for sepsis Diagnosis Related Groups (DRGs): 870, 871, and 872 ([https://www.cms.gov/ICD10Manual/version34-fullcode-cms/fullcode\\_cms/P0328.html](https://www.cms.gov/ICD10Manual/version34-fullcode-cms/fullcode_cms/P0328.html)). SIRS is a condition consistent with Sepsis-2 criteria. If MCOs agree to pay providers by Diagnosis Related Group then they should not deny payment for sepsis claims that are based on Sepsis-2 criteria.

The NYS Department of Health (DOH) has concluded that it is clinically appropriate, and necessary, to define sepsis according to Sepsis-2 criteria to ensure the correct reporting and reimbursement of the screening and treatment protocols required of hospitals under the NYS DOH regulations. Since the clinical practicality of the Sepsis-3 criteria is still being debated and has not been fully accepted by the medical community, NYS DOH regulations pertaining to sepsis will remain unchanged.

Given the issues and reasons mentioned above, MCOs are advised to define sepsis according to the Sepsis-2 criteria in order to align with current NYS DOH regulations, ICD-10 coding classifications, and the DRG reimbursement methodology. This includes, but is not limited to, ensuring that any relevant MCO clinical criteria do not deny payment for sepsis-related services when sepsis is defined under Sepsis-2 criteria, and that MCO payment systems are appropriately adjudicating claims using codes consistent with Sepsis-2. MCOs may continue to conduct retrospective utilization reviews of claims within the framework defined by the Sepsis-2 criteria.

Any question regarding this guidance should be directed to OMC mail at: [omcmail@health.ny.gov](mailto:omcmail@health.ny.gov).

Thank you for your attention to this important matter.

Sincerely,



Jonathan Bick  
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Office of Health Insurance Programs

cc: Khalil Alshaer, MD  
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