

The Independent Health and Aged Care Pricing Authority (IHACPA) is responsible for the development of the diagnosis and intervention classifications used in admitted care:

- International Statistical Classification of Diseases and Related Health Problems, Tenth Revision, Australian Modification (ICD-10-AM)
- Australian Classification of Health Interventions (ACHI)
- Australian Coding Standards (ACS); collectively known as ICD-10-AM/ACHI/ACS.

What is cluster coding?

Cluster coding is a mechanism of linking related diagnosis codes through use of a diagnosis cluster identifier (DCID) that enhances the value of coded data.

Codes are considered 'related' when they connect the circumstances of an event or certain other code relationships together.

Why is cluster coding necessary?

Currently, any relationship between ICD-10-AM codes is limited to what can be determined through the sequencing of codes by those involved in the clinical coding process. However, when complex conditions require multiple codes, sequencing alone is not sufficient for users to understand the relationship between codes.

With cluster coding, the relationship between codes becomes clearer which adds meaning and improves the utility of the data.

Benefits of cluster coding

Clustering increases the understanding of activity data and provides more powerful information for end users by:



identifying relationships between codes

e.g. multiple poisonings and injuries in the context of accompanying external cause codes



enhancing safety and quality reporting

e.g. identifying hospital acquired complications in unique clusters



enhancing reporting of chronic conditions

e.g. reporting all chronic conditions regardless of whether they meet ACS 0002
Additional diagnoses



reducing assumptions when interpreting data



eliminating the need to review episodes of care to establish relationships



supporting future funding models



preparing for a potential future implementation of ICD-11, where clustering is a feature

How does it work?

All ICD-10-AM codes in an episode of care will require a DCID value.

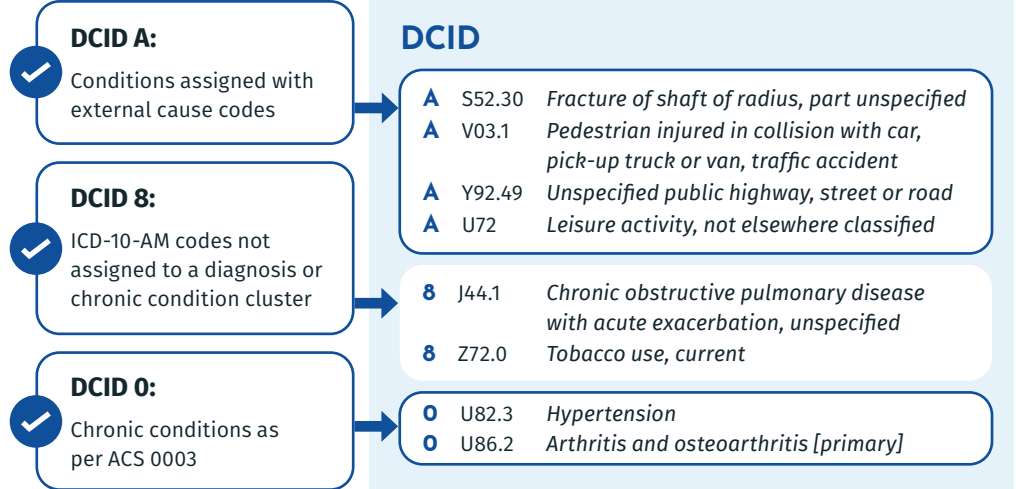
The DCID allocated will indicate where there are relationships between codes (for example injury, external cause, place of occurrence and activity codes).

Supplementary codes for chronic conditions will be allocated to DCID 0.

Conditions not allocated to a diagnosis cluster or chronic condition cluster will be allocated to DCID 8.

What does a DCID look like?

DCID	Description
A-ZZ	Diagnosis cluster
0	Chronic condition cluster
8	Code not clustered



Staged implementation

IHACPA is implementing cluster coding from 1 July 2025, for use with ICD-10-AM Thirteenth Edition. The initial implementation will be limited to clustering:

- conditions assigned with external cause codes
- supplementary codes for chronic conditions (assigned in accordance with ACS 0003 *Supplementary codes for chronic conditions*).

IHACPA may consider expanding the conditions eligible for cluster coding in future editions of the diagnosis classification.

Support for implementation

To support the implementation of cluster coding, IHACPA has completed the following:

Guidelines in the Australian Coding Standards (ACS)
Creation of ACS 0004 *Diagnosis cluster identifier (DCID)*, to provide guidance on cluster coding for Thirteenth Edition.

Engagement with stakeholders
IHACPA engaged stakeholders through public consultation, public forums and conducted an industry briefing in April 2024.

Pilot exercise
IHACPA conducted a pilot exercise in March 2024 to test ACS 0004 *Diagnosis cluster identifier (DCID)*.

Education
Education on cluster coding has been developed and will be available to all users through [IHACPA Learn](#).

Enhancements to the electronic code lists (ECLs)
Thirteenth Edition ECLs identify codes that require clustering. Flagging relevant codes enables software vendors to support the application of the DCID and allows data collection agencies to formulate edits that will enhance the quality and application of the DCID.

Data standards
The Diagnosis array (ICD-10-AM Thirteenth Edition) data set specification is available on [METEOR](#).

Further information

To learn more about the Independent Health and Aged Care Pricing Authority, get in touch with us via the details below.

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Find us online to connect with us.

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