Carbon Arc

HEALTHCARE CLAIMS ANALYSIS: CODING INTENSITY TRENDS 2023 – 2025

Hospital stays are getting more complex on paper

Complication and comorbidity coding is rising: evidence from millions of adjudicated inpatient stays

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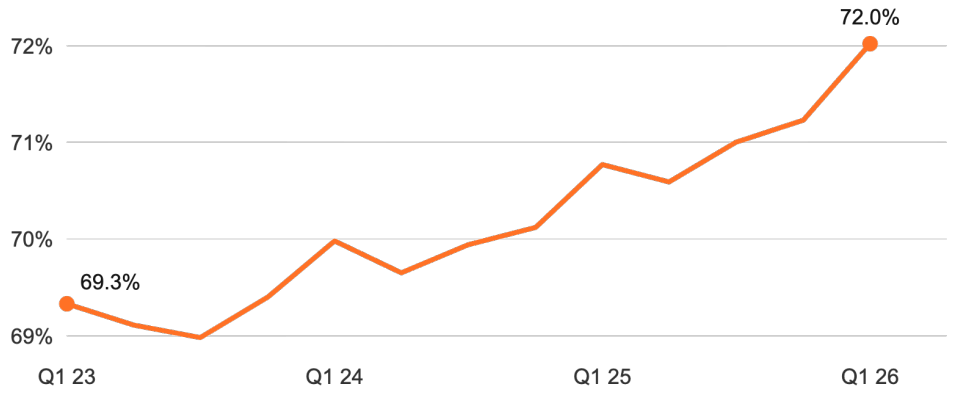
CC/MCC coding has edged up across every Line of Business since 2023

70.9%

of 2025 stays billed with a complication or comorbidity, up from 69.2% in 2023

Commercial	59.3% → 61.0% **+1.7**
Medicaid	65.6% → 67.3% **+1.7**
Medicare	88.7% → 89.9% **+1.2**

Share of stays coded CC/MCC, all payers, by quarter

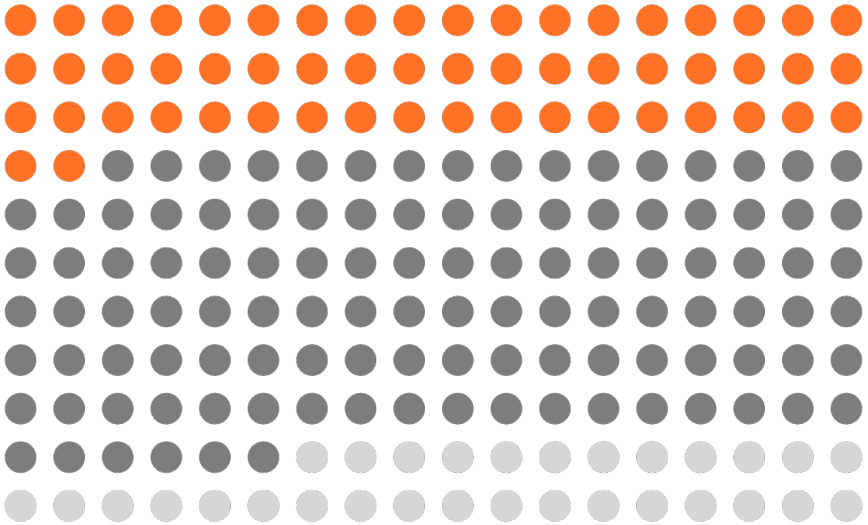


DRG: the category a hospital stay is billed under. **CC/MCC:** a secondary condition (CC) or major one (MCC) that moves the stay to a higher-paying tier of its DRG.

WHERE IT SHOWS UP · ALL PAYERS

Nearly every kind of stay is coding more complex

198 DRG families, 2023 → 2025 · one dot each



56 — **rose by a clear margin**
change at least 3× its statistical noise

112 — **rose by a smaller margin**
same direction, less certainty

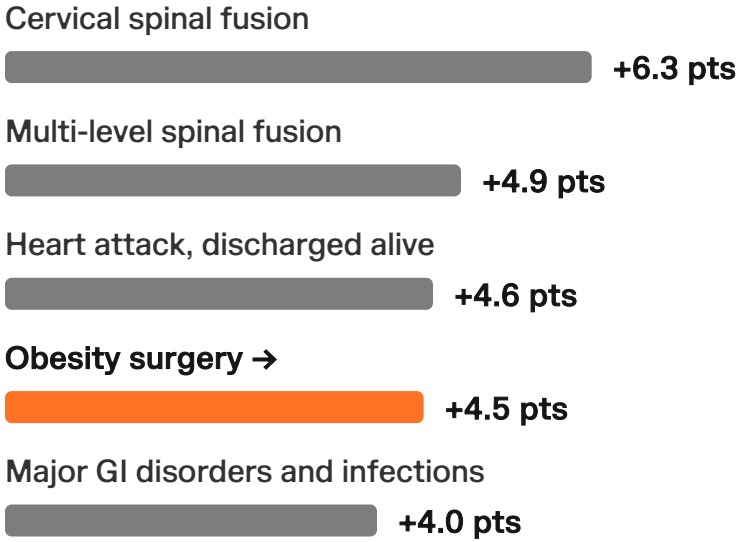
30 — **flat or down**
none fell by a clear margin

The 10 biggest contributors explain only 36% of the total rise

WHERE IT SHOWS UP · COMMERCIAL ONLY

Where coding shifted most

Biggest rise in CC/MCC share, 2023 → 2025



vs +1.7 pts overall. Families with 2,000+ stays and a statistically clear change

Zoom in: obesity surgery

−62%

stays per 100K member-months
6.0 in 2023 → 2.3 in 2025

+4.5

pts coded CC/MCC
16.7% in 2023 → 21.2% in 2025

The rate for all commercial inpatient stays was flat (+0.1%). A drop this steep in one procedure is consistent with GLP-1s pulling healthier candidates out of the surgical pipeline, leaving a sicker remaining group

ZOOM IN: OBESITY SURGERY · COMMERCIAL ONLY

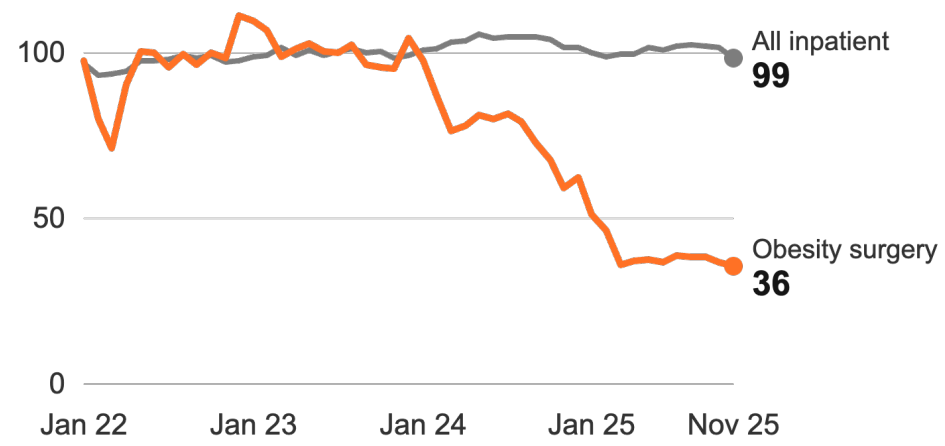
Obesity surgery fell as GLP-1 use climbed

Obesity surgery began falling in early 2024, just as weight-loss GLP-1 use entered its steepest climb. All other inpatient use held flat

Weight-loss use is understated: cash-pay, manufacturer-direct and compounded GLP-1s don't appear in insurance claims

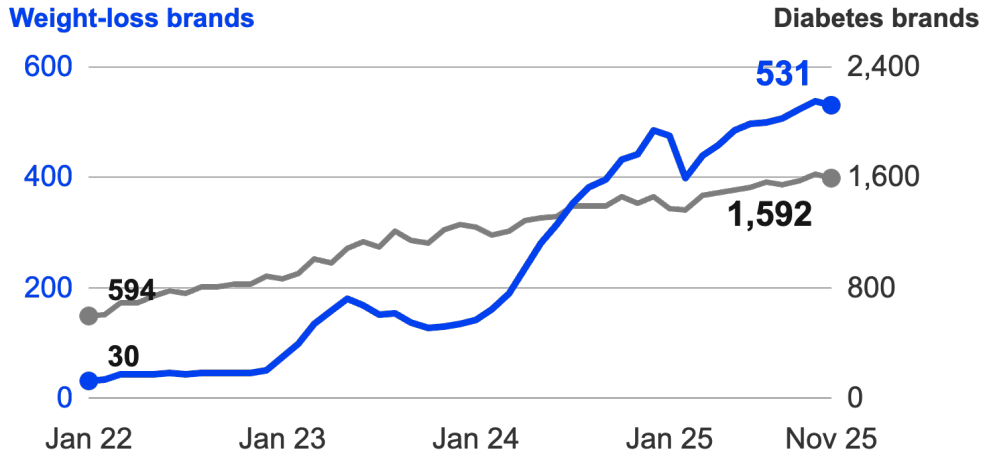
Inpatient stays: obesity surgery vs all

Per 100K member-months, 3-mo trailing, 2023 avg = 100



GLP-1 use: weight-loss vs diabetes brands

Members filling a GLP-1, per 100K pharmacy member-months



CODED VS TREATED · COMMERCIAL ONLY

Heart attack stays are coded sicker but treated less intensively

Condition coded	Share of stays coded	Treated, when coded	Treated, when not coded
Acute respiratory failure expected: ventilator or ICU	12.1% → 14.0% up	42.6% → 34.7% down	15.6% → 15.7% flat
Acidosis expected: ICU	6.4% → 8.8% up	38.3% → 31.4% down	17.4% → 17.0% flat

ICU use held steady for stays without these codes, so this isn't a broader move away from intensive care. The codes are spreading to stays that look less like the condition they describe

CODED VS TREATED · COMMERCIAL ONLY

Surgical stays show no such gap

Share of coded stays that received the expected treatment, 2023 → 2025

MEDICAL

Heart attack

Respiratory failure → ventilator or ICU

43→35%

Gap widening

SURGICAL

Major bowel procedures

Respiratory failure → ventilator or ICU

68→69%

Holding steady

SURGICAL

Cesarean section

Postpartum hemorrhage → transfusion

30→30%

Holding steady

CODED VS TREATED · ALL PAYERS

Documentation is getting deeper on every chart

The fastest-growing secondary codes on heart attack stays are status codes: medications the patient is already on

Code	What it records	Share of stays, 2023 → 2025
Z79.899	Other long-term drug therapy	23.6% → 32.7%
Z79.82	Long-term aspirin use	25.1% → 30.5%
Z79.01	Long-term anticoagulant use	13.0% → 17.1%
Z79.84	Long-term oral diabetes medication	10.8% → 15.1%
E66.811–813	Obesity class 1–3 (new codes as of Oct 2024)	0% → 1.8–2.4% each