

Eli's Hospice Insider

Reimbursement: New Coding Restrictions Will Hit Many Hospices Hard

Tip: Look to your secondary diagnoses for the 'real' principal code.

CMS says it's just clarifying existing policy with its new ban on "debility" and "adult failure to thrive" as primary diagnoses on hospice claims, but that so-called clarification is going to mean major changes for many hospices.

The list of organizations ringing the alarm bell about hospices using non-specific diagnoses as primary is long: the **Centers of Medicare & Medicaid Services**, the **HHS Office of Inspector General**, the **Medicare Payment Advisory Commission**, and the HHH Medicare Administrative Contractors, just to name a few. And now CMS is following up its warnings with action.

CMS plans to nix hospices' use of "debility" (799.3) and "adult failure to thrive" (783.7) as primary diagnosis codes on claims, it says in its proposed rule for 2014 hospice payment rates. "When reported as a principal diagnosis, these would be considered questionable encounters for hospice care, and the claim would be returned to the provider for a more definitive principal diagnosis," CMS explains in the rule published in the May 10 Federal Register. "'Debility' and 'adult failure to thrive' could be listed on the hospice claim as other, additional, or coexisting diagnoses," CMS allows.

And while it won't return claims with dementia codes used as primary, CMS is warning hospices to use them correctly. "It is imperative that hospice providers follow ICD-9-CM coding guidelines and sequencing rules for all diagnoses," the agency stresses in the rule. "Pay particular attention to dementia coding as there are dementia codes found in more than one ICD-9-CM classification chapter and there are multiple coding guidelines associated with these dementia conditions."

Some dementia diagnoses popping up on hospices' top primary diagnosis code list are required to be reported as a manifestation code, after the underlying condition causing the dementia, CMS points out. The codes fall under the classification of "Mental, Behavioral and Neurodevelopmental Disorders," in the ICD-9 Coding Manual.

"The diagnoses of debility, adult failure to thrive and dementia are major reasons for hospice admission and the percentage of patients with these diagnoses has clearly been increasing in recent years," says **Judy Adams** with **Adams Home Care Consulting** in Asheville, N.C. "The inability to use these codes as a primary condition will be a major blow to hospice organizations."

Diagnoses Shoot To Top Of Utilization List

Stats: Debility was the number-one code used on hospice claims in 2012, making up 12 percent of claims, CMS reveals in the rule. Adult failure to thrive was number three at 7 percent. Four dementia codes also held spots in the top 20 list.

In contrast, in 2002 debility made up 6 percent of hospice claims and failure to thrive 3 percent, according to the rule. Only one unspecified dementia code was in the top 20 list that year.

"Clearly, the majority of hospices are not yet in full compliance with" CMS's so-called clarification not to use AFTT and debility, noted **Jennifer Handel** with **Hospice of Michigan** in CMS's May 8 Open Door Forum for home care providers.

Consider other diagnoses: In 2012 claims, hospices reported secondary diagnoses of congestive heart failure, coronary artery disease, heart disease, atrial fibrillation, Parkinson's disease, Alzheimer's disease, renal failure, chronic kidney disease, and chronic obstructive pulmonary disease most often, CMS says in the rule \square implying that hospices can look to those diagnoses as their "real" primary ones.

For adult failure to thrive, hospices most often reported pneumonia, cerebral vascular accident (stroke), atrial fibrillation, heart disease, Alzheimer's disease, CHF, and Parkinson's disease, CMS says.

"If any or all of these multiple primary conditions have been or are being treated or managed by a health care provider, or if medications have been prescribed for the patient to treat or manage any or all of these multiple primary conditions, we believe that these conditions meet the criteria of being established and/or confirmed by the beneficiary's health care provider and, thus, 'debility' or 'adult failure to thrive' would not be listed as the principal hospice diagnosis," CMS instructs.

Compliance risk: Using debility or AFTT is likely to lead to COP problems anyway, CMS adds. "If a non-specific, ill-defined diagnosis is reported as the principal hospice diagnosis, a comprehensive, individualized patient-centered plan of care, as required, may be difficult to accurately develop and implement, and, as a result, the hospice beneficiary may not receive the full benefit of hospice services," the agency maintains in the rule.

"A comprehensive hospice plan of care starts with accurate and thorough assessment and identification of the conditions contributing to the terminal illness and decline," CMS argues. "'Debility' and 'adult failure to thrive' are not appropriate principal diagnoses in the terminally ill population as these diagnoses are incongruous to the comprehensive nature of the hospice assessment, the specific, individualized hospice plan of care, and the hospice services provided."