# Home Health ICD-9/ICD-10 Alert

## Conquering Case Mix: M1024: Watch For Changes in Case Mix Calculation

**Does your software need a tune-up?**

Since Home Health PPS adopted the four equation case mix model, figuring case mix payment has grown complicated. And even though M1024 has been around for over a year, knowing when to report a code in this payment slot still causes confusion. With our experts' tips, you'll be able to complete M1024 with confidence.

Under scrutiny: In the home health PPS 2011 final rule, the **Centers for Medicare & Medicaid** made mention that use of M1024 (Payment diagnoses) is being studied for further modification. Certain diagnoses currently encoded in M1024 should not be reported as primary or secondary diagnoses and cannot be reported on the bill, CMS noted.

CMS went on to say that they are in the process of analyzing options to map diagnoses currently reported in M1024 to diagnoses that are reportable under ICD-9-CM guidelines as primary and secondary diagnoses in the home health setting. "We have been encouraged with our ability to map some trauma codes reported in M1024 to after-care codes, which are reportable as primary and secondary diagnoses ... However, additional analysis and mapping are needed to fully resolve this challenge," CMS said.

**Spot Check Your M1024 Approach**

In Appendix D of the OASIS-C Guidance Manual, CMS instructs home health coders that they may optionally complete M1024 when a V code replaces a case mix diagnosis that would be inappropriate to report in M1022. However, there's another layer of complexity to this instruction: CMS allows home health coders to list a code in M1024 at the primary level for case mix payment calculation that has already been reported in M1022 in three special situations:

If the principal diagnosis (M1020) is a V code and the V code displaces a case mix diagnosis that is contained within one of three designated home health PPS diagnosis groups it would be ok to report the code in 1024 at the primary level even if the code has already been reported in M1022. The three designated home health PPS diagnosis groups are:

Diabetes;

Skin 1 -- Traumatic wounds, burns, and post-operative complications; or

Neuro 1 -- Brain disorders and paralysis.

As it stands currently, M1024 is not being used just to recoup payment lost by using V codes, but also to ensure correct payment, says **Sparkle Sparks, MPT, HCS-D, COS-C,** with Redmond, WA-based **OASIS Answers.**

Appendix D also recommends using M1024 to avoid losing case mix points in the case of a resolved condition (example: cholecystitis) and fractures (because of official coding guidelines that restrict the acute fracture codes to the emergency department, physician, and hospital).

Key: M1024 is a "made up" payment concept, Sparks says. As a result, M1024 doesn't follow ICD-9 coding guidelines and often leaves coders confused. "M1024 isn't a coding concept," she says. When the original PPS debuted in 2000, it did not include V codes at all, so CMS had to come up with a "fix" allowing agencies to continue to legitimately earn points when the diagnosis had to be replaced by a V code, says **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C,** consultant and principal of **Selman-Holman & Associates** and **CoDR -- Coding Done Right** in Denton, Texas. That "fix" was M0245.

M0245 has evolved with each change to the PPS and is currently M1024, Selman-Holman says. In order to better understand how to answer this OASIS question, look to the guidance in Chapter 3 and Appendix D of the OASIS-C Guidance Manual and at any relevant CMS Q&As.

**Take these M1024 Tips**

Make certain you're completing M1024 correctly with these tips from Selman-Holman.

1. First and most importantly, avoid excessive use of V codes in M1020/M1022 which will lessen the need to complete M1024, Selman-Holman urges. If you do list a V code in the primary or secondary diagnosis slots, make sure that it is correct and not unnecessary.

For example: Some common inappropriate uses of V codes include listing V58.6x (Long term [current] drug use) codes as primary and reporting V58.3x (Attention to surgical dressings and sutures) codes when the wound is complicated.

Hint: You'll generally list an aftercare V code as primary when providing aftercare, but any additional V codes that further specify the type of care you are providing do not have to be sequenced next.

2. Be sure that the diagnosis you place in M1024 is actually the underlying diagnosis to the V code.

For example: If your V code is V55.3 (Attention to colostomy), then the underlying diagnosis would be the reason why the patient has the colostomy. For example: bowel cancer, diverticulitis, or bowel obstruction.

3. Try to restrict the use of M1024 to case mix diagnoses.

Problem: Some software is built to encourage the use of M1024 anytime a V code is used in column 2. Software set up this way isn't following CMS guidance, warns Sparks.

Consider that columns 1 and 2 are placed on the plan of care and column 2 is placed on the claim. These diagnoses are the current, unresolved diagnoses that are pertinent to the plan of care. If a case mix diagnosis is listed in these two columns, it will be counted and you will earn the appropriate points as long as the other criteria are met.

Mistake: M1024 isn't the only place you can list a code for case mix points, Selman-Holman says. This misunderstanding may lead to an excessive use of V codes, she warns.

Example: "I have seen coders list V58.31 (Encounter for change or removal of surgical wound dressing) as the first diagnosis and then list a post-op complication in M1024," Selman-Holman says. These coders mistakenly believe that they have to put the post-op complication code in M1024 to get points. "I can think of no time that a post-op complication would go in M1024 because a V code is not appropriate in this example. The post-op complication belongs in M1020 or M1022, not in M1024," she says.