Home Health ICD-9/ICD-10 Alert

OASIS: New M0246 Instructions Confounds Coders -- Get the Bottom Line Here

Only list diagnoses included in the plan of care.

The recent release of the **Centers for Medicare & Medicaid Services'** new diagnosis coding guidelines in Attachment D to Chapter 8 of the OASIS User's Manual has caused confusion and worry throughout the coding community. Fear that these changes could adversely affect payment and seemingly conflicting guidance are the chief concerns.

Pare Down Use of M0246

One major change is the first official instruction on how to respond to OASIS item M0246. Where coders had previously completed this section each time a V code replaced a numerical diagnosis code, now CMS instructs you to complete it only in a very limited number of situations.

Specifically, the guidance instructs that coders should use M0246 infrequently and generally only complete it when the following three conditions apply:

Condition 1:

a. The primary diagnosis (M0230) is a V code;

b. The V code displaces a numeric diagnosis that is a case mix diagnosis; and

c. The numeric case mix diagnosis is contained within one of the following three home health PPS diagnosis groups:

• Diabetes;

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

• Neuro 3 -- Stroke.

(Note: Listing Neuro 3 was an error -- instead, CMS should have included Neuro 1 because this case mix diagnosis group gets more points as primary, says **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C,** consultant and principle of Selman-Holman & Associates in Denton Texas. See line item 12 in Table 2A.)

Condition 2: The V code replaces a case mix diagnosis that is a resolved condition.

Condition 3: The V code replaces a fracture code.

Risk Adjustment Suffers Under New Rules

CMS's reasoning is sound in that in all other cases other than those listed above, the case mix diagnosis is already listed in M0240 and therefore will be counted if points are earned, says Selman-Holman. The bad news is that CMS wasn't all that clear, and the scenarios they included are not good examples. "Plus the risk adjustment we were getting for non-case mix diagnoses that no longer existed by placing the diagnosis in M0246 is gone," she says.

CMS goes on to say that if coding guidelines require a secondary diagnosis to support a primary V code diagnosis, it must be sequenced immediately following the V code in M0240.

"We're told not to select codes based on payment, but these guidelines ask us to refer to table 2A and 2B, and we are to place those codes in M0230, M0240, or M0246 based on whether they are payment codes or not," notes **Jan M. McLain, RN, BS, LNC, HCS-D, COS-C,** medical review resource nurse specialist with Adventist Health System Home Care in Port Charlotte, Fla. Clinicians have been adding the etiology codes in M0246 for any V code in M0230/240 regardless of payment, but now they must know which diagnoses are case mix and code according to payment first, she points out.

This guidance doesn't make sense, considering CMS states to not code for payment but according to clinical condition, notes Selman-Holman.

CMS's Logic Confuses

Question: "Do we add case mix diagnoses in M0246 only if they impact points in that particular episode?" asks McLain. For example, would you put a Neuro 3 diagnosis code go in M0246 for a third episode if the patient doesn't have dysphagia? Or would you only complete M0246 for the specific equations that would impact points?

Answer: It is unclear why Medicare made the statement regarding consulting Table 2A, says Selman-Holman. Coders and clinicians should not have to consult Table 2A, and it doesn't make sense since the number of therapy visits can change and the episode number can change during the episode.

Neuro 3 codes earn their own points, should be coded in M0230 and M0240 anyway, and are rarely resolved conditions -- so you should not have to worry about placing the condition in M0246. The same applies to dysphagia.

Another question: "Which CMS guidelines are we to follow when the guidance contradicts itself?" McLain wonders.

Answer: "I think it boils down to this," says Selman-Holman. Use M0246 when:

1. The V code reported in M0230 replaces a case mix diagnosis in the diabetes, Skin 1 or Neuro 1 case mix categories.

2. The case mix diagnosis is resolved so cannot be placed in M0246.

3. The case mix diagnosis is a fracture (traumatic or pathological) because coding guidelines restrict the fracture codes to settings providing active treatment; therefore, fracture codes cannot appear in M0230 or M0240.

The secondary diagnoses, if listed in M0240 must be addressed in the Plan of Care.