

Home Health ICD-9/ICD-10 Alert

PPS: Boost Supply Reimbursement With Diagnosis Coding Accuracy

Wound staging is not optional if you want proper payment.

Your supplies reimbursement may actually cover your supply costs, but only if you focus on diagnosis coding accuracy.

In recent years, only about 40 percent of home health agencies have billed for supplies, says clinical consultant **Judy Adams** with Charlotte, NC-based **LarsonAllen**. But under the new prospective payment system, agencies have a fresh incentive to do so.

Old way: The **Centers for Medicare & Medicaid Services** used to include \$52.53 for non-routine medical supplies as part of each prospective payment system episode payment.

New way: But beginning Jan. 1, 2008, CMS removed the supply payment from the episode reimbursement and is paying a variable amount depending on information you provide on the OASIS assessment and the final claim.

Correct Diagnoses Control Supplies Reimbursement

Without the correct diagnosis, you are not going to receive the correct non-routine supplies reimbursement, warned home care consultant **Lynda Laff** with Hilton Head Island, SC-based **Laff Associates**. CMS is looking at supply costs by diagnosis, she told listeners in the March 11 **Eli**-sponsored audioconference "A Closer Look at Supply Management in 2008."

Under the 2008 PPS, a patient will fit into one of six NRS severity levels based on answers to nine OASIS questions: diagnosis coding (primary and other) in M0230/M0240, wounds (M0450, M0470, M0476, M0488), ostomies (M0550), IV therapy (M0250) and urinary catheterization (M0520), explains consultant **Mark Sharp** with **BKD** in Springfield, MO. Forty-nine conditions within 19 diagnosis categories -- including 42 skin conditions -- are factored into the NRS calculation, Sharp says.

Diagnoses translate directly into points both for the home health resource group score and for NRS, Laff reminded listeners. And NRS points are additive, she noted.

Example 1: If your patient has a non-healing surgical wound that you identify in M0488, Table 10A in the final PPS rule shows that you get 14 points toward the NRS severity level, Laff illustrated. This puts you in NRS severity level 2 (according to Table 9) and provides an NRS reimbursement of \$51.

If you also include a diagnosis for the non-healing surgical wound (such as ICD-9-CM code 998.83) in M0240 as an other diagnosis, you get 15 additional NRS points, Table 10B shows. Added to the 14 points from M0488, you now have 29 points, which is a severity level 4 for NRS and an NRS payment for that episode of \$207.76, Laff said. So something as simple as that will add \$156.76 to the episode reimbursement, she said.

Get Paid Accurately For Wound Care

Besides diagnoses, NRS severity levels depend on OASIS M0 items, including wound items M0450, M0470, M0476 and M0488. How you identify and stage wounds influences the amount of your NRS reimbursement.

Example 2: You have a patient admitted for dressing changes to a sacral pressure ulcer, and her OASIS assessment scores identify her as having an HHRG of C1F2S2, Laff suggested. But you neglected to mark her Stage 2 pressure ulcer in M0450. Her HHRG equals a \$2,132.51 payment, plus an extra \$14.12 for an NRS severity level of 1.

Instead do this: If you answer M0450 correctly, staging the ulcer, the additional points move the HHRG to C2F2S2 and the NRS severity to level 2. The improved OASIS accuracy will add \$342.37 to the base episode HHRG payment, Laff calculated, and \$36.88 to the NRS reimbursement. So staging the pressure ulcer in M0450 adds \$379.25 to this episode.

Tip: If you don't have a wound ostomy nurse on your staff, you need to have one available to consult, Laff emphasized. Your staff needs to be well trained in wound staging and best practices for wound care to achieve accurate OASIS answers, satisfactory outcomes and optimal reimbursement, she said.

Note: To order a copy of Laff's audioconference, call (800)508-2582. To download copies of Tables 9 and 10A, go to <http://www.cms.hhs.gov/HomeHealthPPS>, select Home Health Prospective Payment System Regulations and Notices, select CMS-1541-FC and then scroll down to pages 49852-49853.