

Home Health ICD-9/ICD-10 Alert

PPS: Nail Down Your ICD-9 Sequencing -- PPS Proposed Rule Unveils Major Case Mix Changes

Limited time to prepare for changes isn't pretty.

Case mix diagnosis groups are getting an extreme makeover. Prepare to toss your old cheat sheets and give your coding practices an update.

The **Centers for Medicare & Medicaid Services'** proposed rule on the prospective payment system released April 27 not only expands diagnoses in the existing case mix diagnosis groups, it proposes five times the number of groups.

Case Mix Gets A New Look

Instead of the current four case mix diagnosis groups (neurological, orthopedic, diabetes and burns and trauma) the rule proposes to break the expanded diagnoses out into the following new groups:

- Blindness and low vision,
- Blood disorders,
- Cancer and selected benign neoplasms,
- Diabetes,
- Dysphagia,
- Gait abnormality,
- Gastrointestinal disorders,
- Heart disease,
- Hypertension,
- Neuro 1--brain disorders and paralysis,
- Neuro 2--peripheral neurological disorders,
- Neuro 3--stroke,
- Neuro 4--multiple sclerosis,
- Ortho 1--leg disorders,
- Ortho 2--other orthopedic disorders,
- Psych 1--affective and other psychoses, depression,
- Psych 2--degenerative and other organic psychiatric disorders,
- Pulmonary disorders,
- Skin 1--traumatic wounds, burns and post-operative complications, and
- Skin 2--ulcers and other skin conditions.

These changes "are definitely more reflective of home health services than the original four case mix groups," says **Judy Adams, RN, BSN, HCS-D**, with **LarsonAllen** in Charlotte, NC. "Now, more than ever, coders will need to pay close attention to sequencing diagnoses," she adds.

One benefit of the expanded case mix groups will be less pressure to use one of the diagnoses in the original limited group, Adams says.

Getting serious: The new case mix groups will reduce gaming and upcoding, predicts **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C**, consultant and principal of **Selman-Holman & Associates** in Denton, TX. Coders who make their diagnosis code selections based on the focus of the care and also code the comorbidities will get the number of points intended, she says.

It will be very difficult to selectively choose codes to get the best reimbursement, Selman-Holman says. This is because there are now four equations, that determine reimbursement, depending on the number of therapy visits the patient will receive and which episode (early or late) the patient is in. One coding combination in the first episode may get you a certain number of points, and the same coding in the third episode may not get you any points, she says.

Secondary Diagnoses Take Center Stage

In developing the new groups, CMS added secondary diagnoses to the case mix system. This change in calculation is an effort to account for the cost-increasing effects of comorbidities, CMS says. However, assigning scores to both primary and secondary diagnoses could lead to redundancies, so CMS proposes to recognize only the primary diagnosis in episodes where both primary and secondary diagnoses from the same diagnosis group are listed.

"Recognizing the primary diagnosis, but not the secondary diagnosis in the same diagnosis group, seems like a reasonable approach to using the variable system," says Adams. When used correctly, the new system should recognize the impact on case mix for key diagnoses, yet not overstate the impact when there are multiple diagnoses from the same group, she says.

Bonus: Most coders know there are conditions that should always be coded because they may impact the care, even if they are not the focus of care, Selman-Holman says. Some of these are the same conditions that CMS has chosen to contribute to the case mix list as "other diagnoses."

For example: Diabetes will gain you points as a primary diagnosis, but because it also impacts other conditions, diabetes will also gain you points as a secondary diagnosis.

Say Goodbye To M0245

As a result of these changes, M0245 will no longer be part of the diagnosis coding process. Assigning case mix points for both primary and secondary diagnoses requires that the OASIS allow for reporting V codes in place of a case mix diagnosis in secondary positions--not just in the primary diagnosis spot as it stands with M0245 now. To facilitate this change, CMS proposes replacing M0245 with a new OASIS item.

In the proposed changes and the draft revised OASIS tool, M0246 replaces M0245 and is formatted to recognize the complexity of the new case mix system that incorporates four new models and the expanded use of diagnoses, Adams says.

Out with the old: M0246 will serve the same purpose as M0245 but will allow you to list a case mix or payment diagnosis when you have used a V code in place of a case mix diagnosis code in either a primary or secondary position.

No Time To Waste In Preparing

CMS' projected implementation date for these PPS refinements is Jan. 1, which means it will affect recertification assessments on or after Dec. 27. But agencies will have to wait until the PPS refinements final rule is issued to receive the final word on the changes.

That short window of time to prepare is really going to cause a lot of trouble for everybody--not just coders, says Grand Rapids, MI-based consultant **Arlene Maxim** with **Healthcare Management Consultants**. Software and IT vendors will have a huge challenge to make changes in time for the rule's projected implementation, experts predict.

Note: Watch for more on how these changes will impact your coding in upcoming issues of Eli's Home Health ICD-9 Alert. For more details on the PPS changes, see Eli's Home Care Week.