

## Home Health ICD-9/ICD-10 Alert

### Watch Out: Diagnosis Coding Soon Will Affect Supplies Reimbursement

19 diagnosis categories are especially important to HHAs

Unless you understand the new influence of coding on supplies reimbursement, your agency will lose out on its share of the redistributed PPS dollars.

Under the current prospective payment system, home health agencies are not reimbursed separately for non-routine medical supplies (NRS). But the final Home Health Prospective Payment System Refinement and Rate Update for Calendar Year 2008 ("final rule"), released Aug. 22 and effective Jan. 1, changes that.

Key difference: The **Centers for Medicare & Medicaid Services** has unbundled NRS reimbursement from the episode base payment rate and instead pays it separately based on six severity levels.

#### How NRS Scoring Works

CMS will calculate NRS reimbursement by combining a number of OASIS items, including selected case mix diagnoses and a few V codes. Forty-nine conditions within 19 diagnosis categories -- including 42 skin conditions -- are factored into the NRS calculation, says consultant **Mark Sharp** with **BKD** in Springfield, MO.

**New additions:** In the final rule, CMS added V codes for three ostomies to the proposed NRS point list. The NRS scoring system also now includes points for diabetic ulcers and refines how it counts pressure ulcer staging, the **National Association for Home Care & Hospice** points out.

Example 1: A patient with a primary diagnosis (M0230) of anal fissure, fistula and abscess -- ICD-9-CM codes 565.x and 566 -- will score 16 points. Anal fissure, fistula and abscess as a diagnosis other than primary will score nine points, explains senior consultant **Judy Adams, RN, BSN, HCS-D**, with Charlotte, NC-based **LarsonAllen**.

#### Scrutinize Pressure Ulcers And Surgical Wounds

"It's even more important that assessing clinicians identify the correct stages of pressure ulcers and the healing status of surgical wounds," says coding consultant **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C**, with Denton, TX-based **Selman-Holman & Associates**. To ensure this, stay on top of CMS' recent retractions and clarifications.

**Example 2:** Because points are additive, if the patient in Example 1 has a pressure ulcer with eschar in which the wound bed is still visible, clinicians not familiar with CMS' recent updates would code the ulcer as unobservable (required by CMS' previous instructions) and gain only 10 points in Table 2A.

But if you know that CMS now says that "you can stage a pressure ulcer when some eschar and slough is present as long as the wound bed is visible and you can see the extent of tissue involved," you could get 29-58 points for Stage 3 pressure ulcers and 48-75 points for Stage 4 ulcers, Selman-Holman explains. Add that to your previous nine or 16 points for the diagnosis and you're looking at hundreds of dollars for NRS reimbursement.

**Another update:** In another clarification in recent OASIS questions and answers, CMS says that "the presence of a scab on a surgical wound is considered avascular tissue, which the WOCN Document Glossary equates to necrotic tissue." This means the presence of a scab on a surgical wound indicates a non-healing surgical wound, Selman-Holman says. Table 10A says that post-surgical complications and non-healing wounds contribute points toward NRS costs.

**Don't miss:** In addition, you would code this wound as 998.83 (Non-healing surgical wound). This diagnosis as primary adds eight to 20 points to the home health resource group. It adds four to six points if secondary, Selman-Holman adds.

### **Coding Accuracy Translates Directly To Dollars**

**Bottom line:** Look to both primary and other diagnoses for NRS points. The NRS severity level for an episode depends on points calculated using Table 10A in the final rule.

The possible diagnosis points range from four points for "Other diagnosis = Malignant neoplasms of skin" to 24 points for "Primary or Other diagnosis = V code, Urostomy care." Only episodes with zero points are paid the Level 1 rate of \$14.12 per episode, so even four points would move you to Level 2 for \$51 NRS reimbursement. Twenty-four points would move your NRS reimbursement for that episode to Level 3 -- \$139.84.

**Keep in mind:** The points for NRS are additive, the final rule explains, "but points may not be given for the same line item in the table more than once. Points are not assigned for a secondary diagnosis if points are already assigned for a primary diagnosis from the same diagnosis/condition group," CMS adds.

Note: For the latest OASIS questions and answers, go to <http://www.oasiscertificate.org>. Then click on "resources."