

## MDS Alert

### MDS & Billing News

**Is your facility coding diagnosis by the book as of April 1?** The ICD-9-CM codes haven't changed since last fall, but the way you use them is now in the spotlight, according to coding guidelines released by the **Centers for Medicare & Medicaid Services** with an effective date of April 1, 2005. Many of the new rules pertain to the most recent code additions and revisions that went into effect on Oct. 1, 2004.

To review the ICD-9-CM Official Guidelines for Coding and Reporting, go to [www.cdc.gov/nchs/data/icd9/icdguide.pdf](http://www.cdc.gov/nchs/data/icd9/icdguide.pdf).

[Don't miss these key changes:](#)

**Sepsis.** [In its new guidance, CMS reminds providers not to list sepsis as a patient's primary diagnosis. If a patient shows signs of sepsis on admission and it meets the definition of a primary diagnosis, then you should first assign the underlying systemic infection code, such as 038.xx \(septicemia\) or 112.5 \(candidiasis, disseminated\), followed by a code from the sepsis family, 995.9x.](#)

[Don't let physicians' use of the term "urosepsis" throw you. It means a urinary tract infection, not sepsis, notes James Kennedy with MA Health Solutions in Nashville, TN.](#)

**Diabetes.** [Key to mastering the use of the diabetes codes added last fall \(250.XX series\): The fifth digit is mandatory because it indicates whether the case is type I or type II. To indicate type I diabetes, use 250.01 \(\[Juvenile type\], not stated as uncontrolled\) or 250.03 \(\[Juvenile type\], uncontrolled\). To indicate type II diabetes, use 250.00 \(Unspecified type, not stated as uncontrolled\) or 250.02 \(Unspecified type, uncontrolled\).](#)

**Payment tip:** [Leaving the fifth digit off the code invites claims rejections.](#)

**Documentation tip:** [If the medical record doesn't indicate which type of diabetes your resident has, or it does indicate that it's type II, then you will use 250.00 or 250.02 controlled or uncontrolled. The physician's documentation should include that information, so you will know which way to code the diabetes. If you see unstable blood sugars in the medical record, check with the physician before you code.](#)

**Don't let RACs put you on the payment rack.** [DAVE may be done, but the federal government's latest wave of auditors called RACs \(recovery audit contractors\) will be cranking up the heat in three states as part of a demonstration mandated by the Medicare Modernization Act of 2003.](#)

[In fact, RACs are officially out in the field. That means nursing providers in the demonstration states - California, Florida and New York - need to be especially vigilant to ensure Medicare billing compliance. SNF consolidated billing - services that are "bundled" as required by statute - will reportedly be one area of focus.](#)

[The demonstration status doesn't mean other nursing homes are off the hook. The goal of the demonstration is to see if the RACs can cost-effectively ferret out and recoup Medicare overpayments to providers. If they prove they can over the three-year demonstration, the program will be rolled out nationally.](#)