

MDS Alert

PAYMENT: Keep Your Medicaid Case-Mix Straight

Use these strategic tactics to achieve fair payment.

MDS teams in states where the MDS drives Medicaid payment have to steer clear of common mistakes that will put a big dent in their facility's rate.

Hidden trap: Some nursing home staff in case-mix states think the Medicare RUG drivers are the same for Medicaid, but that's not always true, says **Marilyn Mines, RN, RAC-C, BC**, director of clinical services for **FR&R Healthcare Consulting** in Deerfield, IL.

To obtain fair reimbursement, the interdisciplinary team has to know "what fields on the MDS drive the Medicaid reimbursement in their state," Mines says

MDS teams in case-mix states also need to keep an eye on their facility's case-mix index, which can provide a red flag that their payment is falling short.

How it works: "Each RUG has a case-mix index or weight that tells you the resource use associated with that RUG," says **Carol Job, RN**, chair of the board of directors for the **American Association of Nurse Assessment Coordinators** and consultant for **Myers & Stauffer** in Topeka, KS.

"Facilities in case-mix states take a point in time or a picture date and they RUG all the Medicaid residents and come up with an average case-mix index or CMI," says Job.

"Most states use the facility average in their case-mix reimbursement systems," Job adds.

The CMI is "generally a 1" for the average in the state, explains **Diana Johnson, RN, BSN**, clinical consultant, **Health Dimensions Group**, Minneapolis, MN. A nursing facility should audit its MDSs if its CMI falls below the average or drops for unknown reasons, she advises.

Save money: In auditing one facility that had suffered an unexplained case-mix decline, Johnson found problems with coding oxygen on the MDSs.

"By comparing the oxygen bills to the documentation, the facility figured out the staff wasn't always coding oxygen PRN use on the MDS in Section P1," says Johnson.

"After educating the staff about coding oxygen," Johnson found "the facility's next case-mix score jumped significantly," she says.

Target 4 Key Potential Shortfalls

These MDS shortfalls will leave your facility with a paltry case-mix score that leaves the coffers emptier than need be:

1. Undercoding activities of daily living (ADLs). The remedy for that costly problem: "Continuous staff training" in ADLs is a "must" to keep the facility's case-mix up, says **Jan Stewart, RN**, a consultant with **Zimmet Healthcare Services Group** in Morganville, NJ.

"Some states include more than the late-loss ADLs [as payment drivers] for Medicaid," adds Mines.

ADL tips: "Sometimes staff don't capture the transfer from the gurney at admission to the bed, which usually requires two people," says Mines.

Or they don't always capture assistance with TED stockings when coding dressing, she adds.

2. Not doing significant change in status assessments when appropriate. "Sometimes facilities don't pick up a significant change as defined by the RAI manual until they do their quarterly reviews," observes **Bet Ellis, RN**, with **LarsonAllen** in Charlotte, NC. "And in Medicaid case-mix states that means the facility may have missed an opportunity to do the SCSA earlier and affect their case-mix."

3. Failing to provide or capture restorative nursing (P3). Restorative programs can boost a facility's case-mix score significantly. Yet many facilities forget to include their bowel and bladder program and/or dining program, says Johnson. Some facilities don't code restorative appropriately or they include a program that doesn't meet the RAI manual requirements, she cautions. States may also have specific requirements for restorative nursing.

4. Not setting the assessment reference date (ARD) strategically for assessments used to calculate the CMI. "In Medicaid case-mix states, you have to pay attention to when you set the ARD for comprehensive assessments, which are usually the ones the state uses to set the case-mix for Medicaid," says Stewart. "If the MDS team knows which MDS items are included in the [Medicaid] rate, they can set the ARD to capture reimbursable services," adds Mines.