

OASIS Alert

Assessment: An Early Or A Later Episode -- Only The Feds Know For Sure

Follow these 7 steps to M0110 success.

If you understand these basic guidelines, your M0110 answers -- and your reimbursement -- will be more accurate.

New in 2008: Home health agencies no longer have to worry about reimbursement and compliance if they inaccurately answer M0175 on a patient's prior inpatient stay. But as of Jan. 1, HHAs must understand a new OASIS item on episode timing, which affects reimbursement. M0110 reads "Episode Timing: Is the Medicare home health payment episode for which this assessment will define a case mix group an 'early' episode or a 'later' episode in the patient's current sequence of adjacent Medicare home health payment episodes?"

Definitions: "Early" means the first or second episode, while "later" is a third or later episode, the 2008 prospective payment system update instructs. "Adjacent" means episodes don't have to directly follow one another but can be spaced apart up to 60 days. And the definitions apply whether the subsequent or adjacent episodes take place at one HHA or across multiple agencies.

Why it matters: The **Centers for Medicare & Medicaid Services** will pay HHAs more for third or later episodes than for early episodes. Despite industry arguments that initial episodes cost more due to administrative and visit frontloading, HHAs' cost report data shows more intensive costs in third and later episodes, CMS says.

Plan For M0110 Accuracy

Like any new assessment item, M0110 will take some getting used to, experts predict. But for accurate reimbursement, focus immediately on getting it right, says reimbursement consultant **Melinda Gaboury** with Nashville, TN-based **Healthcare Provider Solutions**.

M0110 will require more work at first, says **Judy Adams**, a clinical consultant with Charlotte, NC-based **LarsonAllen**. She suggests the following seven steps to improve your M0110 success:

1. Look to the patient. "M0110 is patient-specific, not agency-specific," Adams says. A prior episode refers to any home health service under Medicare fee-for-service, regardless of which agency provided the service.

2. Count episodes before Jan. 1. Even though M0110 took effect on Jan. 1, episodes that occurred before Jan. 1 still are counted.

Example: A patient who is beginning a third recertification after Jan. 1 is beginning a later episode, while a patient having a first recert after Jan. 1 is beginning an early episode.

3. Don't count non-qualifying episodes. Only Medicare fee-for-service episodes count for M0110. Medicaid, Medicare Advantage and private insurance episodes do not count in the sequence of adjacent episodes.

4. The chain breaks at 61 days. An episode is not adjacent if the patient has gone for 61 days or more from the last date of the previous certification period -- unless the last certification period was a partial episodic payment adjustment (PEP).

5. Count PEPs differently. To count the days between a PEP'ed episode and the new episode, begin with the day of the last billable visit in the previous episode.

Reminder: A PEP occurs when a patient is discharged and then readmitted within the same 60-day certification period.

6. Establish an intake process. Each agency needs to have a process for checking the Common Working File at the time of a new referral, Adams advises. Someone from the intake or billing staff or some other designated person can do this.

What to do: This person should check the CWF for the last completed home health episode, check the Direct Data Entry (DDE) to find out if the patient is under a current home health plan of care and then communicate that information to the assessing clinician.

7. Try your best. Clinicians and agencies should make an effort to answer M0110 correctly, Adams says, but unlike M0175, the **Centers for Medicare & Medicaid Services** will correct mistakes whether in your favor or theirs. You don't need to check this item again before submitting the claim, because your intermediary will re-check the response anyway.

Bottom line: Overpayment is less likely because the default answer if you don't know about other episodes is "early." So most errors are likely to be in the agency's favor and will result in additional payment to the HHA, Adams explains.