

OASIS Alert

Case Mix: ANALYZE YOUR CASE MIX DISTRIBUTION TO SEE WHERE YOU'RE LOSING MONEY

Bonus: You can head off denials too.

Your case mix distribution provides a window into your OASIS accuracy, if you know how to raise the shade.

Doing a case mix distribution analysis can put you on track to locate problems leading to poor profitability, says consultant **Pat Sevast** with **American Express Tax & Business Services** in Timonium, MD. You should be able to compile this data in about an hour, even if you can't get your computer to generate reports for each part of the home health resource group, Sevast told an audience of 200 at the **National Association for Home Care & Hospice's** October annual meeting in Phoenix. Just use a report that shows your case mix by HHRG, and break out the three areas separately.

A case mix distribution close to the following averages (based on a report by **Outcome Concept Systems** in Seattle) means your agency probably is slightly profitable, with a case mix average about 1.2, Sevast said.

C0 = 24 %

C1 = 36 %

C2 = 35 %

C3 = 5 %

F0 = 7%

F1 = 26%

F2 = 49%

F3 = 11%

F4 = 7%

S0 = 55%

S1 = 8%

S2 = 29%

S3 = 8%

Problem: But if your distribution shows too many patients on the low end of the clinical score - such as C0 = 35 percent and C1 = 30 percent - your profits will suffer, Sevast says.

Solution: Look at the OASIS assessment questions that relate to the clinical score (see Eli's OASIS Alert, Vol. 4, No. 11, p. 103) and focus on how you answered these questions, Sevast suggests. Your patient population may truly be skewed toward the lower end of the clinical scores, or you may have an accuracy problem.

Comparing your case mix distribution to the average can help identify other areas of concern. For example, the F0 percent is usually between six and eight, so if your distribution shows a high percentage of F0 patients, you are likely to show lower profitability, Sevast notes. Even more ominous, you may be caring for patients your intermediary will decide are not homebound - leading to denial of the whole episode.

Protect yourself: Each time you see a significant deviation from the average distribution, go back to the underlying OASIS questions to assess the accuracy of your clinicians' answers, Sevast recommends.

Editor's Note: To order a tape of Sevast's presentation, go to the www.nahc.org and click on conference.