

OASIS Alert

Case Mix: Watch for Grouper Change with Certain Case Mix Categories in Proposed Rule

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The **Centers for Medicare & Medicaid Services'** 2013 PPS proposed rule spells out changes to the grouper that could have a big impact on the case mix points your agency earns. Find out what the changes to M1024 -- Payment Diagnoses could mean to your bottom line.

Currently, home health coders can use M1024 when the principal diagnosis listed in M1020a is a V code and the V code displaces a current case mix diagnosis that is contained within one of three designated home health PPS diagnosis groups. The three designated home health PPS diagnosis groups are Diabetes; Skin 1 -- Traumatic wounds, burns, and post-operative complications; or Neuro 1 -- Brain disorders and paralysis.

In the proposed rule, CMS announces plans to make an adjustment to the grouper so that diagnosis codes in these categories earn the same points whether listed in M1020a or immediately following a V code in M1022b. These diagnoses currently earn more points when listed as primary, and would continue to earn these points when listed in M1022b following a V code, rather than in M1024.

CMS doesn't offer further explanation regarding points when a diagnosis is listed lower in the sequencing, says **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C, HCS-O**, consultant and principal of **Selman-Holman & Associates** in Denton, Texas. This leaves questions about how the proposed assignment of case mix points will differ from the current system. For example, "it is not clear if an 'other diagnosis' of diabetes, when coded as a comorbidity as the third listed diagnosis will earn points," she says.

Another problem: CMS does not take into account that the diagnosis that now earns more points because it is the underlying diagnosis to the primary V code may be resolved and therefore not be coded in M1022(b), Selman-Holman says. For example, a benign brain tumor that has been surgically removed (Neuro 1 code).

CMS Scolds HHAs for Misusing M1024

In discussing the analysis it used to determine a need for these M1024 changes, CMS says findings showed "that HHAs are not limiting the number of diagnoses assigned to M1024 and continue to not comply with ICD-9-CM coding guidelines."

Before we transitioned to OASIS-C, Attachment D of the OASIS Item Guidance instructed coders to list a case mix diagnosis code in M1024 only if that diagnosis is replaced by one of the qualifying V codes in the Table "V codes potentially used with columns 3 and 4 of M1024," points out **Judy Adams, RN, BSN, HCS-D, COS-C** with **Adams Home Care Consulting** in Chapel Hill, N.C. There are 29 listed V codes on this list, most of which are not used or very seldom used in home health setting, she says. (See list on page 119.)

There has never been any penalty for listing a diagnosis in M1024 across from a V code that isn't on that original CMS list, Adams says. This practice is just ignored by the grouper and doesn't gain case mix points. "That is what I think the rule is referring to when they say coders are not complying with ICD-9 rules," she says.

But the M1024 instruction in Attachment D isn't an ICD-9 coding rule -- it's a PPS rule, Adams points out.

Example: Often, coders put a case mix code across from a V code without it being one of the V codes on the list, Adams says. For example, V10.X (History of primary neoplasm) is not on this short list of V codes potentially used with Column 3

and 4 of M1024, but nearly all HHAs list the actual primary neoplasm code in M1024 across from V10.X code.

Glitch: Many home health software programs require HHAs to place a diagnosis code in M1024 any time they list a V code in M1020 or M1022, Adams says. "I believe there is a way that agencies can override that requirement/message, but many do not know how to do so."

This software requirement is "really not a 'rule' at all," Selman-Holman adds. "Attachment D has been replaced by Appendix D to Chapter 3 of the OASIS-C Item Guidance but that document did not go through the rule making process," she points out. The instructions at the item itself state "If a V-code is reported in place of a case mix diagnosis, then optional item M1024 Payment Diagnoses (Columns 3 and 4) may be completed. A case mix diagnosis is a diagnosis that determines the Medicare PPS case mix group."

"One big problem is that CMS may have stated how they would like providers to use M1024, but they didn't include new vendor specifications," Selman-Holman says. "Home care software is developed based on CMS's own software, HAVEN. HAVEN and HAVEN-based software strongly encourages the use of M1024 when a V code has been placed in M1020/M1022."