OASIS Alert

Compliance: AGENCIES LOSE THOUSANDS IN DIAGNOSIS CODING DENIALS

Here's how to clear up coding confusion among clinicians.

If you don't select the correct primary diagnosis, your intermediary may do it for you -- leading to overpayments and even increased medical review.

During the second half of 2003, regional home health intermediaries denied agencies more than $690,000 in reimbursement for "reduced HIPPS code due to incorrect diagnosis used," **Cahaba GBA** reports in its May 2004 state information denial summary.

Claims edit systems are both sophisticated and flexible. They allow the RHHI to focus on a diagnosis, a provider or a state where it expects a substantial return on the time invested in medical review, explains consultant **Pat Sevast** with **American Express Tax & Business Services** in Timonium, MD. "They will certainly focus on the highest-risk categories," which include diagnoses that add points to the clinical domain, she adds.

Problem: Even now many clinicians don't understand coding or how to select a primary diagnosis, says consultant **Melinda Gaboury** with Nashville, TN-based **Healthcare Provider Solutions**. "We had been improperly coding home health patients for 30 years," and just didn't realize it, Gaboury cautions. It will take time to get it right.

Watch for: Inappropriate diagnoses abound, experts agree. Many clinicians code diabetes as the primary diagnosis whenever they're caring for a diabetic patient, Sevast reports. "Clinicians often see diabetes as the underlying reason for many other problems the patient has -- everything from heart disease to pressure ulcers. Even if that's true, it doesn't make diabetes primary," Sevast stresses.

Coders have learned: "We see many fewer problems with clinicians ignoring fourth and fifth digits in the diagnosis codes," Gaboury notes, and fewer open wound code errors.

Some of the earlier coding issues -- such as incorrectly using trauma codes or thinking cauda equina syndrome was the same as incontinence -- have definitely improved, Sevast says. "At first people were just coding what they knew or what was on a list, not really understanding how coding fit into the overall picture," she adds.

Warning: Agencies should expect intermediaries to focus review efforts on the diagnoses that add points and therefore increase reimbursement to the case mix, Sevast says. If medical review doesn't support the primary diagnosis the agency chose, the RHHI will downcode the claim and deny part of the reimbursement claimed, she explains.

Protect yourself: RHHIs are asking two questions, Sevast says: (1) Did you select the correct primary diagnosis, and (2) does the record support this diagnosis? To prevent down-coding, focus on the care plan, acuity of the diagnosis and justification in the record, she reminds providers (see "11 Tips For Avoiding HIPPS Downcoding").

In the Cahaba summary, some states showed no denials for diagnosis coding problems, while other states recorded denials of up to $120,000. This may reflect more effort in some states by industry groups and agencies to provide coding training to clinicians, Sevast tells **Eli**.

Editor's Note: To see the Cahaba report, go to www.iamedicare.com/provider/newsroom/newslines/050104.pdf.