OASIS Alert

Diagnosis Coding: CMS BLESSES V CODE USAGE ON REVAMPED OASIS

To pass muster under HIPAA, the **Centers for Medicare & Medicaid Services** will allow home health agencies to use V codes on certain OASIS items next year, but this change could have some nasty reimbursement consequences.

Starting in October 2003, HHAs will be able to use V codes to fill in the spaces for M0230 and M0240 when they're assigning primary and secondary diagnosis codes, CMS says in a summary of its recently proposed changes to the OASIS data set.

The Health Insurance Portability and Accountability Act regulations "require adherence to the ICD-9-CM Official Coding Guidelines," notes **Sue Prophet**, director of coding policy and compliance for the **American Health Information Management Association**. "These coding guidelines require the use of V codes in many instances."

HIPAA regs apply only to claims, but "allowing the use of V codes on OASIS will ease the administrative burden that would be caused by having to report separate sets of codes on OASIS and the claim form," Prophet says. The HIPAA electronic transaction regulation that requires V code usage takes effect Oct. 16, 2003.

While V code usage may make administrative burdens easier, it's likely to make receiving the full payment amount agencies are entitled to much more difficult.

CMS will allow V codes, but the measure won't affect PPS payments, the agency explains. Instead, CMS will add a new OASIS item, M0245. "Once M0245 is operational, HHAs may enter V-codes in M0230/M0240 and can, at their option, enter an additional ICD-9-CM code in M0245."

When a V code is the required primary diagnosis, agencies can enter what would be the non-V code primary diagnosis at M0245 and still claim the reimbursement they currently receive from claiming the non-V code diagnosis at M0230/240. That is, M0245 will become the new MO230/240 in instances where V codes are the primary diagnoses.

Throwing HHAs this new curve ball just as they are getting the hang of diagnosis coding under home health PPS could be a disaster, experts fear.

"Training on the proper use of V codes will be required, particularly for agencies using personnel not certified in health information management to perform the coding function," Prophet predicts.

After spending the first three years of PPS trying to figure out how to avoid V codes, coding staff could have a hard time going in the other direction, notes **Mary St. Pierre** with the **National Association for Home Care**.

And even if they can get V codes down pat, learning to use non-V codes in M0245, which could have huge reimbursement impacts, is likely to be a costly challenge. Clinicians and coders "will have to learn to do [coding] a whole other way," St. Pierre worries. "This is going to confuse them."

CMS will add the new item to the revised OASIS form due out in December, but it will be shaded and inactive until October 2003, according to the summary. HHAs won't be able to enter M0245 in HAVEN or transmit it until that time.

M0190, M0210 and M0230/M0240 will have new instructions to comply with HIPAA, and CMS also will shade those instructions and keep them inactive until October 2003.

HHAs should hold off on training clinicians and coders on V code and M0245 usage until their implementation is

imminent, St. Pierre recommends. Training staff now, when they still must adhere to the old system and V codes might change next year, "could create a mass of confusion."

Editor's Note: CMS' summary of changes is at www.cms.hhs.gov/oasis/1202rev.pdf.