

OASIS Alert

PPS 2013: Brace Yourself for Major Case Mix Changes

Resolved diagnoses slated for big points changes?

The lack of cuts to the prospective payment system base rate for 2013 in the new proposed rule is good news for home health. Unfortunately, not all the news the PPS proposal brings is upbeat.

The home health PPS episodic rate would rise 0.0016 percent under the new 2013 PPS proposed rule, published in the July 13 Federal Register. But the proposed rule makes sweeping changes to the diagnoses you can report for case mix points in M1024 -- Payment Diagnoses. Prepare to see a reduction in reimbursement if this proposal makes the final rule.

The proposed changes to M1024 would have a devastating effect on HHAs, says **Judy Adams, RN, BSN, HCS-D, COS-C** with **Adams Home Care Consulting** in Chapel Hill, N.C.

M1024 for Fractures Only

The proposed rule indicates that the **Centers for Medicare & Medicaid Services** wants to restrict use of M1024 to fracture codes alone. CMS proposes changes to the grouper to restrict the code range that can be reported in this item.

Coders generally list acute fracture codes in M1024 because it goes against coding guidelines to assign these codes in M1020/M1022 once the acute care is complete, says Adams. "In home health, we use the V codes for aftercare for healing fractures," she says.

But the fracture codes in M1024 rarely actually receive case mix points, Adams points out. This is because all orthopedic codes must be paired with other services such as infusion therapy or abnormal gait with a pressure ulcer to receive case mix points, she says.

CMS also mentions that points will be available for fractures when the appropriate V code for fracture is used as primary and the fracture itself is listed in M1024 and also when coupled with other diagnoses codes, says **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C, HCS-O**, consultant and principal of **Selman-Holman & Associates** in Denton, Texas. "Currently we at least have a potential for points for fractures whether they are coded as primary in M1024 or anywhere else in M1024 column 3," she points out.

Missing info: In addition, CMS did not specify the other diagnoses that are proposed to be paired, [with the fracture codes]," Selman-Holman says. The case mix variable table would have to be changed to accommodate this pairing, but any proposed changes were not published in the proposed rule, she points out. "That would constitute inadequate notice."

CMS believes that reserving M1024 for fractures will allow for eliminating M1024 in the near future -- once ICD-10-CM is implemented, Selman-Holman says. Under ICD-10, fractures will be coded as current diagnoses in home care with a seventh character to indicate subsequent care.

Major problem: The proposed M1024 changes will eliminate the opportunity for HHAs to garner case mix points when the agency is seeing a patient for a V code related to a resolved diagnosis, Adams points out.

For example: Appendicitis is a case mix diagnosis, but the home health agency sees the patient after the appendicitis has been resolved by removing the appendix, Adams says. In this situation, coders can only list the appendicitis in M1024 because it was the reason for surgery. You can't code for the appendicitis as a current diagnosis because it was resolved by the surgery. Currently, "HHAs receive many case mix points from these 'resolved' diagnoses," she says.

Know Your M1024 History

"CMS seems to have forgotten the entire history of the payment diagnosis OASIS item," Selman-Holman adds. "M0245 (the original OASIS payment item) was developed for such a scenario."

Before 2003, when home health coders were first allowed to use V codes, appendicitis would have been the primary diagnosis in this situation described above, Selman-Holman says. This coding "is prohibited by the official coding guidelines, but those were the instructions from CMS at the time."

"When HIPAA took effect in 2003, we had to begin using V codes, when appropriate, so CMS had to 'patch' the case mix scoring system to allow for earning case mix points for those diagnoses that were 'replaced' by V codes," Selman-Holman explains. "We have always been able to earn points for resolved case mix diagnoses in that manner since the commencement of PPS for home health in 2000."

"I understand that CMS would like to delete M1024 altogether and I think the home health industry would applaud that decision. M1024 takes an entire 30 minutes of a coding class to explain. However, some other method of reserving our ability to earn those points needs to be developed," Selman-Holman says.

Note: CMS will take comments on the rule until Sept. 4. The rule, including instructions for submitting comments online or via paper, is at <http://www.gpo.gov/fdsys/pkg/FR-2012-07-13/pdf/2012-16836.pdf>.