

OASIS Alert

PPS: SCICs Trigger Extra M0175 Downcodes

Hint: If you want this error fixed, you'll have to ask.

As if it wasn't enough to have to sort out the M0175-induced recoupments due to begin soon, now agencies have to worry about erroneous downcodes from CMS edit errors.

Home health agencies are still waiting for M0175 takebacks to recoup mistakes from the early years of the prospective payment system. The **Centers for Medicare & Medicaid Services** is in the process of developing and testing the necessary programs to trigger the recoupment of millions of dollars erroneously paid when HHAs didn't record prior hospital stays as well as SNF or rehab stays on newly admitted patients.

But the edits CMS already put in place to prevent further M0175 overpayments have been creating unintended - and erroneous - M0175 downcodes when an episode includes a significant change in condition, according to a Jan. 14 transmittal (Change Request 3616).

In April 2004, CMS implemented ongoing edits to check whether agencies answer the OASIS question on prior hospital stays (M0175) correctly, a CMS official tells **Eli**. If an agency indicates a patient had a skilled nursing facility or rehab stay in the 14 days prior to admission but no hospital stay, it receives an extra \$200 for a non-therapy patient and \$600 for a therapy patient episode.

The new edits started downcoding such claims, indicated with a "K" or "M" in the fourth position of the HIPPS code, if a hospital stay was present in addition to the SNF or rehab stay, explains consultant **M. Aaron Little** with **BKD** in Springfield, MO.

The problem: When those edits went into effect, the claims system started to downcode both sections of a SCIC included on a claim, the CMS official explains. The system should downcode only the first section of the SCIC, because a hospital stay prior to admission wouldn't affect the second section of a SCIC that starts later in the episode.

The solution: In July, changes to the claims processing system will take effect ensuring that only the first portion of the SCIC gets downcoded when there is a qualifying hospital stay, the transmittal says.

In other words, the claims processing system will check for a prior hospital stay only against the earliest 0023 revenue code, an official with regional home health intermediary **Palmetto GBA** says.

Bottom line: If HHAs want their intermediaries to correct M0175/SCIC downcoding problems, they must bring the affected claims to the RHHI's attention, says a **Cahaba GBA** source. "Based on RHHI reports, there are a very small number of claims affected nationally," the CMS source contends.

The faulty M0175/SCIC downcodes began last April, when the M0175 edits went into place, says a staffer with RHHI **United Government Services**.

But because SCICs are relatively rare, and SCICs containing incorrect M0175s are even less common, providers should see fairly few claims and limited reimbursement affected, expects Abilene, TX-based consultant **Bobby Dusek**. Agencies that bill a high proportion of SCICs will see more reimbursement affected, Little notes.

Avoid SCIC overload: If HHAs bill more than 1 to 3 percent of their claims as SCICs, that's a danger sign, Little warns. (See the flow chart on to increase your SCIC accuracy.)

Agencies billing more than that percentage as SCICs "have typically lost thousands of dollars by inaccurately billing the adjustments," Little relates. "I've yet to find an agency that has accurately billed a high percentage of SCICs. This most recent discovery of the claims processing error is just one more reason for agencies to critically examine their SCIC billing practices and perform an audit," Little urges.

Editor's Note: The transmittal is at www.cms.hhs.gov/manuals/pm_trans/R427CP.pdf, and a related Medlearn Matters article is at www.cms.hhs.gov/medlearn/matters/mmarticles/2005/MM3616.pdf.

To learn more about SCIC billing pitfalls, order M. Aaron Little's Jan. 19 teleconference, "Boost Agency Revenue with Accurate SCIC Adjustment Billing," by calling 1-800-508-2582.