OASIS Alert

Prospective Payment System; Use OASIS To Knock Your NRS Billing Out Of The Park

Save time and money with this expert advice.

Get ready: Your claims for nonroutine supplies (NRS) may start bouncing back this month if your OASIS answers and supplies billing don't agree -- and that means less money for you.

On Oct. 1 the **Centers for Medicare & Medicaid Services** will begin returning claims with a HIPPS code that indicates NRS use but no supplies charges, home health agency reimbursement consultant **Michelle Enger** pointed out in "Home Health PPS 2008 Reimbursement Issues and How to Deal With Them Effectively," an **Eli**-sponsored audioconference this summer.

"The claims will start to RTP on Oct. 1, 2008, and that could be substantial amounts for home health agencies and cause a negative cash flow," warned Enger, with **Optimal Reimburse-ment Strategies** in Clearwater, FL.

Background: Starting in January 2008, CMS removed the NRS reimbursement from the episode payment and now pays it separately based on patient characteristics. But unless you bill for supplies on the claim, you won't get paid (see **Eli's** OASIS Alert, Vol. 6, No. 9, p. 53).

The amount of the NRS payment is not based on what supplies you use or bill for a specific patient, says billing expert **M. Aaron Little** with **BKD** in Springfield, MO. Instead, it is based on how you answer the underlying OASIS questions, he explained in his **Eli**-sponsored audioconference, "Crash Course: Crucial Less-ons Your HHA Billing Staff Must Know For 2008." But while the actual payment amount is based on the OASIS answers, you must bill for some NRS supplies to get paid at all.

The HIPPS code fifth digit designates the supplies severity code, CMS instructs. When filing the episode claim, you must change the letter code for that digit (S-X) to the corresponding number code (1-6) if you did not provide NRS during the episode.

How to Get the Reimbursement You Earned

Your patients' reimbursement levels come directly from the OASIS assessments your staff fills out, Enger reminded listeners. "A lot of clinicians really need to have a firm grasp of how to score those questions because they are very important," she stressed. That's particularly true under the PPS revisions, when multiple M0 items work together to determine scoring.

Heads up: Eleven OASIS items are relevant to NRS reimbursement: M0230, M0240, M0250, M0450, M0470 M0474, M0476, M0488, M0520, M0540 and M0550. A thorough understanding of diagnosis coding is particularly important now that codes down to the sixth level can affect reimbursement, Enger pointed out. Some codes that never affected reimbursement before, such as those in cardiac categories, now can mean extra money for the episode.

Try this: If you have questions about how you should fill out OASIS, try your state OASIS coordinator for answers, Enger suggested. They'll be much more knowledgeable than your regional home health intermediary, for example, she said.

M0110 confusion: HHAs are still confused about the definition of an adjacent episode. It didn't help that the claims system was classifying some episodes incorrectly in the beginning of 2008 due to a software problem that didn't count 2007 episodes toward the early/later episode designation.

Crucial: Agencies need to be responsible for keeping track of their own claims and whether they pay correctly, Enger urged.

Staff should count adjacent episodes as no more than 60 days between the "to" date on the last claim and the "from" date on the current one, Enger advised. When the previous episode was a partial episode payment (PEP) adjustment, use the date of last billing activity (DOLBA) to calculate, she added.

"The information that you see in HIQH or ELGA is very important for the date of last billing activity," she said in the audioconference. "That's the date CMS will actually use to determine whether it's an adjacent episode," Enger says.