

OASIS Alert

Reimbursement: M0175 RECOUPMENT PROCESS SUSPENDED

Appeal and collection procedures raise questions.

M0175 adjustments for the first year of the prospective payment system were scheduled to begin Nov. 28, but the confusion and contention continue.

Not all of the regional home health intermediaries were able to meet the Oct. 24 deadline the **Centers for Medicare & Medicaid Services** set for posting the fiscal year 2001 M0175 adjustments for home health agencies to review. Recoupments were to begin when the five-week review period ended.

But the **National Association for Home Care & Hospice** pointed out to CMS potential legal problems with the adjustment process the government planned to use. CMS responded by notifying the RHHIs to suspend the adjustments while they address these concerns, a CMS spokesperson confirms.

The basics: M0175 asks about prior inpatient stays within the 14 days before the admission assessment. If the answer shows a skilled nursing facility or rehab stay without a hospital discharge within that time period, the agency's reimbursement for that episode increases by \$600 for a high-therapy-use patient and \$200 without the therapy. So if agencies noted the SNF/rehab stay but missed the hospital stay, they were overpaid. If they missed the SNF/rehab stay and there was no hospital stay, they were underpaid.

M0175 adjustments will differ depending on the size of the agency and their accuracy in answering that item during the first year of PPS--FY 2001. CMS expects overpayments to be about twice the amount of underpayments.

Legal concerns: Several issues remain unresolved, industry experts say. A primary concern is the absence of an appeals process during the reconsideration stage and before the recoupment--a right the Medicare Prescription Drug, Improvement and Modernization Act of 2003 requires, NAHC asserts.

Also, the M0175 recoveries are planned to be in a lump sum, CMS says; HHAs should be able to set up a payment plan, NAHC suggests. And the fact that CMS is allowed to correct the M0175 payment, but agencies aren't allowed to correct clerical errors, such as failure to answer the M0825 therapy question correctly, is a problem, NAHC contends.

What now: CMS will postpone M0175 recoveries until it implements changes in the process, especially to the appeals provisions, and will "provide a detailed response to the other concerns," NAHC says.