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OASIS Alert

Reimbursement: Prepare For New Supplies Edit

You may be erroneously upcoding your NRS payment.

Don't use a fifth digit swap as an unofficial significant change in condition adjustment, or your claims will fall victim to the new supply edit.

The **Centers for Medicare & Medicaid**

Services is putting a new claims edit into place starting Oct. 5 for prospective payment system episodes dated Jan. 1, 2008 or later, according to Transmittal No. 6393 (CR 1714). Under the edit, the Medicare claims system will allow home health agencies to change the fifth digit of the Health Insurance Prospective Payment System (HIPPS) code, which represents the NRS level, only from a number to its corresponding-NRS-level letter or vice versa.

When PPS refinements instituting NRS payments took effect in January 2008, CMS lifted the requirement that the HIPPS code's fifth digit match on the request for anticipated payment (RAP) and final claim. That's so agencies could record that they provided no supplies when they first said on the RAP they would, or vice versa.

NRS Confusion Can Look Like Fraud

Background: PPS pays agencies the same whether they actually furnish the supplies or not. The OASIS assessment sets the NRS payment level, then agencies indicate whether they furnished supplies with a series of letters (S-X) in the fifth position of the HIPPS code, or did not furnish supplies with a series of numbers (1-6). Rather than switching from an NRS number to its matching letter or vice versa, "it has come to CMS'attention that, in some cases, home health agencies are instead inappropriately billing a different NRS severity level on the final claim," the transmittal explains. The new edit will allow only fifth-digit switches in the same category.

For example: A HIPPS code ending in a 1 can only be switched to an S; a HIPPS code ending in a T can only be switched to a 2, etc.

Check Your Agency's NRS Practices

This problem likely arose due to HHA confusion about how PPS works under the refinements that took effect last year, says reimbursement expert **Melinda Gaboury** with **Healthcare Provider Solutions** in Nashville, Tenn. This new edit "should not be needed if people would just follow instructions," Gaboury explains.

Some HHAs probably used the relaxed fifth-digit rule to give themselves an unofficial significant change in condition upgrade, Gaboury believes. CMS eliminated the SCIC adjustment last year, which means if a patient's condition changes during the episode, you have to wait for the recert to claim a higher-paying HIPPS code. But confused or unscrupulous agencies that saw a different NRS level from a resumption of care or other follow-up OASIS during the episode probably just claimed that new level on the final claim, Gaboury expects.

Other agencies might have thought that because they didn't furnish any supplies, they were supposed to drop the NRS level to the lowest category on the final claim. "Not fully understanding the process ... [they are] thinking that is what they were supposed to do," Gaboury tells **Eli**.

Important: Remember, you receive the same payment for the NRS level indicated by the OASIS assessment whether you actually furnish supplies or not.

Note: The transmittal is at www.cms.hhs.gov/transmittals/downloads/R1714CP.pdf. An MLN Matters article is at

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