

## OASIS Alert

### Reimbursement: The Battle For M0175 Dollars Is About To Begin

Warning: Recoveries could cost you \$14,000

You may deserve that extra \$549.87 -- but chasing it down won't be easy.

The **Centers for Medicare & Medicaid Services** has placed a roadblock on the easiest and fastest path to uncovering M0175 errors in your favor -- the edits your fiscal intermediary will be using to recoup overpayments for errors in the government's favor. But recoupment has not yet begun, as CMS waits for completion of the **HHS Office of Inspector General's** OASIS and prior hospital stays audits.

CMS is sticking by its estimate that M0175 recoveries will cost an average of \$4,000 per agency, a CMS official tells **Eli**. But that estimate is based on a draft of an OIG report, and is for fiscal year 2001 only, the source explains.

That means if the mistake rate is \$4,000 for each of the three-and-a-half years since PPS began, the estimated takeback per agency would be \$14,000. And CMS intends to go back and recoup M0175-related funds for all that time, including making recoveries for two years during 2004.

Overpayments for the OASIS item should not have a chance to stack up that much again, as pre-payment edits for billing of the item will go into place April 1.

For fiscal year 2001, the first year of the prospective payment system, the OIG reports **Palmetto GBA** overpaid home health agencies \$10 million when agencies failed to mark an existing hospital stay within 14 days of home care admission. The OIG bases that estimate on a sample of 199 claims with the mistake, in which it found \$57,861 in overpayments, according to its new report (A-04-03-00018).

In examples given in the Palmetto report, omitting the hospital stay resulted in an extra \$173 for a patient not requiring at least 10 therapy visits and an extra \$469 for a patient meeting the therapy threshold, the OIG says.

The Palmetto report is the second fiscal intermediary M0175 audit the OIG has issued. The latest report on **United Government Services** (A-09-03-00042), released March 16, claims UGS overpaid agencies \$5.3 million for FY 2001. This total is based on a sample of 200 claims from the more than 18,000 UGS claims that year with a hospital discharge within 14 days before home health admission.

Examples from the UGS report show agencies being overpaid \$190.15 for a claim downcoded from a "K" to "J" service utilization level, and \$549.87 for a claim downcoded from "M" to "L" level.

The OIG's audit report from **Associated Hospital Service of Maine** was released last year and the one from **Cahaba GBA** is still pending. Once all four reports are released CMS will implement retroactive takebacks for M0175 errors, a CMS source confirms.

Once all reports are in, fiscal intermediaries will begin using edits to unearth M0175 errors going back to the beginning of PPS. The difficulty for agencies is that FIs plan to recoup overpayments but don't intend to use those tools to correct underpayments as well, says health care consultant **Diane McKinney** with the accounting firm **Abraham & Gaffney** in St. Johns, MI.

Agencies will find it costly and time-consuming to look back for errors in their favor in each case still eligible for billing, she says. And claims prior to January 2003 are no longer open for correction, she adds.

One approach: Since M0175 errors are much more expensive in cases with high therapy use, agencies auditing cases with 10 or more therapy visits for M0825 errors could test a sample to determine whether it pays to also check for M0175 errors.

Having agencies audit for M0175 errors leading to an underpayment is very complicated and "requires a lot of leg work," reports consultant **Pat Sevast** with **American Express Tax and Business Services** in Timonium, MD. It's better to focus on improving the intake process, she recommends.

Don't overlook these basics, Sevast says:

1. Revise your referral form to leave adequate space to list multiple hospitalizations.
2. Strongly encourage intake staff to obtain dates of hospitalizations, transfers and discharges.
3. Provide all staff members concerned with OASIS with a small calendar for counting the all-important 14 days.

Editor's Note: For other ways to avoid M0175 errors see Eli's OASIS Alert, Vol. 5, No.3. The OIG reports are at <http://oig.hhs.gov/oas/reports/region4/40300018.pdf> and <http://oig.hhs.gov/oas/reports/region9/90300042.pdf>.