

OASIS Alert

Reimbursement: Understand Payment Adjustments To Improve Case Mix Weight

Unnecessary SCICs can cost you thousands of dollars.

You wouldn't want to do your job and not get paid--and neither does your agency.

When a patient has less than a full episode, you receive less money than you expected. Sometimes you can't avoid that result, but at other times it's preventable, said Portland, OR-based consultant **Jan Potts** in an educational session "Getting to the Bottom of It: Understanding the Drivers Underlying Your Financial Performance" at the **National Association for Home Care & Hospice's** October annual meeting in Seattle.

Identify and analyze how your agency differs from benchmark numbers to find potential ways to improve revenue, said **Danny Hart**, CPA with Jackson, MS-based **Home LLP**, speaking at the same NAHC session.

3 Adjustments You Should Scrutinize

--LUPAs. The industry average for LUPAs is 12 to 14 percent, Potts said. If your agency is higher than that, look more closely to see what's driving the LUPAs, she suggested.

Examples: Are you inappropriately admitting patients who are not homebound or lack medical necessity and then discharging them after a few visits? Does a physician or surgical center that refers many patients to your agency have a protocol requiring four or fewer visits? Do you have a high percentage of managed care patients?

--PEPs. The industry average for partial episode payments is 1 to 2 percent, Potts said. If your average is higher than that, find out why.

Possibilities: Are you missing the fact that another agency is already caring for the patient? Are you discharging patients too soon?

--SCICs. The industry average for SCICs is 1.5 to 3 percent, Potts said. If yours is higher than that, you are typically losing thousands of dollars in inaccurate SCICs, says billing consultant **M. Aaron Little**, CPA with **BKD Health Care Group** in Springfield, MO.

Tip: Be sure you are reviewing SCICs before you file the final claim, Potts warned. Remember you don't have to claim a SCIC unless an unanticipated improvement in the patient's condition decreases the HIPPS code, the **Centers for Medicare & Medicaid Services** instructs. (For detailed information on SCICs, see OASIS Alert, Vol. 6, No. 8).