

Home Health Coding and OASIS Expert

Conquering Case Mix: Say Goodbye to Case Mix Points for Diabetes in 2015

Proposed rule slashes 200 diagnosis codes from the case mix list.

CMS proposes making major changes to the case mix system for 2015. Can your agency withstand the effect on reimbursement?

In its 2015 home health prospective payment system proposed rule, the **Centers for Medicare & Medicaid Services** outlines its plan to cull about 200 diagnosis codes from the case mix system and drop two OASIS items as well. CMS is "adjusting the weights relative to one another using more current data and aligning payments with current utilization data in a budget neutral manner," the agency explains in the rule published in the July 7 Federal Register.

Warning: While the overall effect is supposed to be budget-neutral, the case mix recalibration could take a big bite out of your budget if your patients fall into the categories losing reimbursement under the new model. Coupled with the proposed rate cut, "it is really going to be a tough year for HHAs," predicts **Judy Adams, RN, BSN, HCS-D, HCS-O**, with **Adams Home Care Consulting** in Asheville, N.C.

The proposed update makes "significant changes to the point values for the variables in the four-equation model" under PPS, CMS explains in the rule. "These reflect changes in the relationship between the grouper variables and resource use since 2005."

"There are more than 200 case mix codes in the categories of blindness/low vision, psych 1, psych 2, and pulmonary alone" removed from the case mix equation, Adams points out. "Plus the removal of case mix points for a number of interactions, primary GI diagnoses, etc."

Diabetes No Longer A Case Mix Factor In These Scenarios

"A primary diagnosis of diabetes will no longer gain any points in an early or late episode with low therapy," Adams says. And the diabetes diagnosis "will only receive one point in an early episode with low therapy, and no points in the other three equations when diabetes is a secondary diagnosis."

That's "a major impact for home health, where so many diabetic patients are treated for diabetic ulcers and other manifestations," Adams continues. "Diabetes has been one of the primary case mix diagnoses since the beginning of PPS."

The proposed case mix recalibration often reinforces the financial divide between episodes with significant amounts of therapy and episodes without, Adams adds.

"CMS proposes to increase case mix weights by 3.75 percent for episodes with 0-5 therapy visits; decrease weights by 2.5 percent for episodes with 14-15 therapy visits; decrease weights by 5 percent for episodes with 20+ therapy visits; and institute gradual weight adjustments for episodes between those thresholds," notes the **National Association for Home Care & Hospice** in its analysis of the rule.

"The greatest losses in case mix points are in the non-therapy or low therapy equations where the reimbursement was already lower," Adams tells **Eli**. "Given the loading of case mix points in the early and late high-therapy equations, it looks as if once again, CMS is rewarding high therapy at the cost to all other types of situations."

Meanwhile, other resource-intensive patients will see less reimbursement if the proposal is finalized. "Case mix points for

wounds, a high-cost service for home health agencies, have been significantly reduced," Adams highlights.

In several cases, CMS has added points to certain diagnoses, points out **Lisa Selman-Holman, JD, BSN, RN, HCS-D, COS-C, HCS-O**, consultant and principal of Selman-Holman & Associates and **CoDR** **Coding Done Right** in Denton, Texas. "However, the increased points are only an illusion. It takes fewer points to get to the C3 level so the extra points do not increase the score," she says.

Say Good-Bye To These OASIS Items In Case Mix

CMS proposed to eliminate any case mix points for two OASIS items: M1200 (Vision) and M2030 (Injectable drug use). "M1200 has ... been a case mix item for years," Adams says.

CMS doesn't give many details about the case mix changes. "The CY 2015 four-equation model resulted in 121 point-giving variables being used in the model (as compared to the 164 variables for the 2012 recalibration)," the agency notes in a brief overview of the adjustments. "There were 19 variables that were added to the model and 62 variables that were dropped ... due to the lack of additional resources associated with the variable. The points for 56 variables increased in the CY 2015 four-equation model and the points for 28 variables decreased."

But CMS doesn't go any deeper in justifying the changes. "At least last year CMS had some reason why they removed the 170 diagnosis codes from case mix," Adams says.

CMS also proposes changing the thresholds for the clinical and functional domains to reflect the variable changes.

For example: CMS proposes to add 7, 10 or 17 points to the clinical score for a non-healing stasis ulcer, Selman-Holman notes. But, it only takes 4 points, 8 points, 2 points, or 13 points depending on the episode and number of therapy visits to get to C3. If you have a non-healing stasis ulcer in a later episode and there is no need for 14 plus therapy visits, you'll earn 10 points, but it only takes 2 points to be a C3.

The situation is even more nonsensical with pressure ulcers, Selman-Holman adds. "You earn 31 points for a Stage 3 or 4 pressure ulcer in an early episode with 14+ therapy visits but it only takes 8 points for a C3."

Take These Steps Now

"All HHAs need to be sure to look at their current case loads and compare these changes to what they are seeing for case mix scores now," Adams urges. "If your home health agency does not have a good percentage of therapy patients, next year will be devastating," she warns.

For example: A patient with a first episode referral to home health who has a diabetic ulcer on his foot and requires a two-handed device for ambulation, minimal assistance with transfers and has orders for nursing care only would be a C2F1S1 with a case weight of 0.6197 in 2014, Adams says. The same patient would be a C1F1S1 with a case weight of 0.5984 in 2015.

Diabetes gets fewer points and the ulcer earns 2 points in this situation, Selman-Holman says. "The other diagnoses and OASIS answers become even more important."

Don't forget: HHAs "really need to be submitting comments back to CMS that these changes will be devastating to nearly every home health agency," Adams stresses.

Note: Read the rule and submit your comments by 5:00 p.m. on Sept. 2 at <https://federalregister.gov/a/2014-15736>.