Managing Non-Routine Medical Supplies

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OASIS = Supply Dollars

- PPS 2007…
  - $52.53 included in all episodes for supplies
  - 60% of home health providers did not bill for supplies
- PPS 2008…
  - **Revenue for NRS supplies is dependent upon the accuracy of OASIS scoring and the actual billing of supplies!**

NRS Management Processes

- Grace period began in April and ends October 1st 2008
- CMS created a validation process
  - If 5th position of HIPPS code is a letter (supplies provided) then at least one revenue code 27x or 623 line must be present on the claim
- After the grace period has elapsed, claims will be returned to the provider for correction.
- 2008
- Points range from 4 to 75
- Six Severity Levels valued from $14.12 to $551.00
- We have been paid for supplies whether we provided them or not -the payment rate is based **on the severity level**

Non Routine vs. Routine Supplies

- Non routine = "those supplies needed to treat a patient's specific illness or injury in accordance with the physician's plan of care"

- Supplies customarily used during the course of most home care visits. Routine supplies are usually included in the clinician's supplies and not designated for a specific patient including but not limited to; thermometers, alcohol preps, cotton swabs, band aids, non-sterile gloves, non sterile applicators, infection control supplies and lab draw items. The cost of routine supplies is expected to be included in the total cost of providing the home care visit"

*Non routine supplies CMS transmittal 277 April 1996

It's All In The HIPPS Code…

PPS 2008

- If supplies are **NOT** provided, the fifth digit of the HIPPS code will be a number (1-6).
- When supplies **are** provided, the fifth digit of the HIPPS code will be a letter based on the supply case-mix severity index (S=1, T=2, U=3, etc.).
- Supply case mix diagnoses and items are assigned severity point scores based on Diagnoses and OASIS questions

HIPPS Coding-Position 5

S – level 1, supplies provided	1 – level 1, supplies NOT provided
T – level 2, supplies provided	2 – level 2, supplies NOT provided
U – level 3, supplies provided	3 – level 3, supplies NOT provided
V - level 4, supplies provided	4 – level 4, supplies NOT provided
W - level 5, supplies provided	5 – level 5, supplies NOT provided
X - level 6, supplies provided	6 – level 6, supplies NOT provided

NRS Management Processes

- **NRS Severity level is dependent upon diagnosis + relevant M0 items.**
- Document supplies on a single line on the claim with Revenue Code 0270
- Dressing supplies can be separated out with Revenue Code 0623
- Charges would be the total charges for all supplies used
- No NRS revenue on LUPA episodes

NRS Severity Levels & Payment

Severity Level	Points	Payment
1	0	$14.12
2	1 – 14	$51.00
3	15 – 27	$139.84
4	28 – 48	$207.76
5	49 - 98	$320.37
6	99+	$551.00

Non Routine Supply "Triggers"

- Diagnoses listed in table 10b of the CMS PPS 2008 Final Rule
  - Skin Conditions
  - Case Mix items
- If supply "triggers" are present – the 5th digit of the HIPPS code will be a letter

Non Routine Supply "Triggers"

Diagnosis	ICD – 9 Codes
Abscesses & Other Infections of Skin	566, 681.00, 681.01, 681.10, 681.9, 68 680, 683, 685, 686
Fistulas	565
Gangrene	440.24, 785.4 M
Cellulitis	566, 681.00, 681.01, 681.10, 681.9, 682
Ulcers	440.23, 447.2, 447.8, 707.10 – 707.19, 707.8, 707.9
Neoplasms	172, 173
Trauma	870, 872 – 887, 890 – 897,
Burns	941, 942, 943, 944 945, 946.2, 946.3, 946.4, 946.5, 998.31, 998.32, 998.51, 998.59
Post Op Complications	998.11 – 998.13, 998.2, 998.4, 998.6, 998.83
Ostomy Care	V55.5,V55.0,V55.6

Non Routine Supply "Triggers"

OASIS ITEMS	
M0450, M0450e	Pressure ulcers
M0470, M0474, M0476	Stasis ulcers
M0488	Surgical wounds
M0550 V55.5, V55.0, V55.6	Ostomies and skin conditions
M0250	IV Therapy, Enteral, Parenteral
M0520 (score of 2)	Urinary Catheter
M0540 (score of 4 or 5)	Bowel Incontinence

Diagnosis Coding Accuracy

- Diagnosis codes should be **specific** to a disease process
  - CMS is looking at supply **cost by diagnosis**
  - Home Care Agencies have not coded well in past!
  - Home Care has not identified supply cost by diagnosis

Use The HIPPS Code…

- To Help Manage Processes
  - Validate Accuracy of OASIS
  - Validate Supply Ordering, Provision and Billing at Start of Care

Review HIPPS Code AT SOC

- Clinical Managers / Quality Managers
  - Review HIPPS code at SOC during quality review process
    - If 5th digit is a letter – are you providing supplies?
      - Check for case mix DX and case mix variables
    - If 5th digit is a number and you know you are providing supplies- you will not receive supply payment
      - Review for OASIS errors - omissions

Educate – Use Tools!

- Teach coders and OASIS reviewers how to look for OASIS inconsistencies and omissions relative to NRS
  - Automated tools
  - Integrate into workflow processes
  - Insure that supply revenue is generated when supplies are provided

Review HIPPS Code Before Billing

- Develop a process to audit the HIPPS code and claim prior to billing to insure that the 5th position matches the bill
  - When 5th digit does not match – **bill must be held to determine the cause**
  - The HIPPS code must match the claim prior to billing;
    - Is the OASIS incorrect? Were there clinical case mix items that should have been scored differently?
    - Is there a condition that actually does not require supplies but triggered the 5th digit to a letter?
    - Do you need to manually change the HIPPS code?

NRS Case-Mix Adjustment Variables and Scores (Table 10)

Anal fissure, fistula and abscess	13
Primary Dx = Cellulitis and abscess	14
Other Dx = Cellulitis and abscess	8
Primary or other diagnosis = Diabetic Ulcers	20
Primary Dx = Gangrene	11
Other Dx = Gangrene	8
Primary Dx = Malignant neoplasms of skin	15
Other Dx = Malignant neoplasms of skin	4
Primary or Other Dx = Non-pressure and non-stasis ulcers	13

NRS Case-Mix Adjustment Variables and Scores (Table 10)

Primary Dx = Infections of skin and subcutaneous tissue	16
Other Dx = Infections of skin and subcutaneous tissue	7
Primary Dx Post Op Complications	23
Other Dx Post Op Complications	15
Primary Dx = Traumatic Wounds and Burns	19
Other Dx = Traumatic Wounds and burns	8
Primary or Other Dx = V code Cystostomy Care	16
Primary or Other Dx = V code Tracheostomy Care	23
Primary or Other Dx = V code Urostomy Care	24

NRS Case-Mix Adjustment Variables and Scores (Table 10)

M0450 = 1 or 2 pressure ulcers, stage 1	4
M0450 = 3+ pressure ulcers, stage 1	6
M0450 = 1 pressure ulcer, stage 2	14
M0450 = 2 pressure ulcers, stage 2	22
M0450 = 3 pressure ulcers, stage 2	29
M0450 = 4+ pressure ulcers, stage 2	35
M0450 = 1 pressure ulcer, stage 3	29
M0450 = 2 pressure ulcers, stage 3	41
M0450 = 3 pressure ulcers, stage 3	46

NRS Case-Mix Adjustment Variables and Scores (Table 10)

M0450 = 4+ pressure ulcers, stage 3	58
M0450 = 1 pressure ulcer, stage 4	48
M0450 = 2 pressure ulcers, stage 4	67
M0450 = 3+ pressure ulcers, stage 4	75
M0450e = 1 unobserved pressure ulcer	17
M0470 = 2 (2 stasis ulcers)	6
M0470 = 3 (3 stasis ulcers)	12
M0470 = 4 (4+stasis ulcers)	21
M0474 = 1 unobservable stasis ulcer	9
M0476 = 1 most prob. stasis ulcer (fully granulating)	6

NRS Case-Mix Adjustment Variables and Scores (Table 10)

M0476 = 2 most prob. stasis ulcer (early/partial granulation)	25
M0476 = 3 most prob. stasis ulcer (not healing)	36
M0488 = 2 most prob. status surgical wound (early/partial granulation)	4
M0488 = 3 most prob. status surgical wound (not healing)	14
M0550 = 1 ostomy not related to inpt. stay M0550 = 2 ostomy related to inpt. Stay	27 45
Any selected skin conditions (rows 1 – 42) AND M0550 = 1	14
Any selected skin conditions (rows 1 – 42) AND M0550 = 2	11
M0250 IV Therapy at home	5
M0520 = 2 urinary catheter	9
M0540 = 4 or 5 bowel incontinence daily or >	10

Manage Medical Supplies

- Review current medical supply practices to manage cost and utilization
  - Patient specific versus bulk supplies
    - If bulk…lock the door!
  - Streamline supply formularies
  - Effectiveness – use of products to heal wounds quickly **AND** use fewer resources
  - Provide weekend – emergency supplies with patient specific charge tickets
  - Teach staff to plan for provision of supplies

Routine versus Non-Routine

- *Do not include <u>routine</u> supplies on your bills*
- Create a basic list of routine supplies
    - Review routine versus non-routine supplies with clinical managers, OASIS review staff and billing staff
    - Include a process for routine versus non-routine supply review prior to billing

Value of Coding Accuracy

- Assuming no other clinical points
  - Non-Healing Surgical Wound coded as secondary diagnosis – 1st episode, no therapy
    - C score (6 points) would be C 2 = **$342.36**

Skin 1 "Other" Diagnosis

Other Diagnosis Skin 1 Traumatic Wounds, burns, post-operative complications)	**Early Episode (1 or 2) 0 – 13 Therapy Visits**	**Early Episode (1 or 2) 14+ Therapy Visits**	**Late Episode 3+ 0 – 13 Therapy Visits**	**Late Episode 3+ 14+ Therapy Visits**
Points	**6**	6	4	4

Value of Coding Accuracy

- Assuming no other clinical points
  - If Non Healing Surgical Wound is coded primary – 1st episode, no therapy
    - C score (10 points) would be C 3 = **$722.64**

Skin 1 Primary Diagnosis

Primary Diagnosis **Skin 1** (wounds, burns & post operative complications)	**Early Episode** **1 or 2** **0 – 13** **Therapy Visits**	**Early Episode** **1 or 2** **14+** **Therapy Visits**	**Late Episode** **3+** **0 – 13** **Therapy Visits**	**Late Episode** **3+** **14+** **Therapy Visits**
Points	**10**	20	8	20

NRS Points Add Up

- Non-healing surgical wound M0488 score of 3
  - 14 NRS points
- Other diagnosis of non-healing surgical wound (Post Operative Complications - Skin 1)
  - 15 NRS points
- Total NRS Points = 29
- Severity level 4
  - NRS revenue = **$207.76**

Skin 2 Primary Diagnosis

Primary Diagnosis Skin 2	Early Episode (1 or 2) 0 – 13 Therapy Visits	Early Episode (1 or 2) 14+ Therapy Visits	Late Episode (1 or 2) 0 – 13 Therapy Visits	Late Episode (1 or 2) 14+ Therapy Visits
Points	6	12	5	12

Coding Accuracy

- If the patient had no clinical points (0-4) and the nurse did not code the cellulitis correctly, the HHRG would be C1
- A code of 682 (cellulitis) is worth 6 clinical points and moves the HHRG to a C 2
- Difference between C1 and C2 **=$342.36**

NRS Points

- Primary Diagnosis Cellulitis with a code of 682
  - 14 NRS points = $51.00
  - The total worth of correct Diagnosis Coding is **$342.36 + $51.00 = $393.36!**

Wound Staging = HHRG Points

Case Mix Variables	Episode 1 or 2 0 – 13 Therapy Visits	Episode 1 or 2 14+ Therapy Visits	Episode 3+ 0 – 13 Therapy Visits	Episode 3+ 14+ Therapy Visits
M0450 = Two or more pressure ulcers at stage 3 or 4	3	3	5	5
M0460 Most problematic ulcer stage 1 or 2	5	11	5	11
M0460 Most problematic ulcer stage 3 or 4	16	26	12	23

Review…

- Develop processes to audit the HIPPS code at 3 levels;
- SOC Clinical Quality Review
  - Insure that 5th digit of HIPPS code is correct
    - If it is a letter – check supply provision
    - If it is a number – does that make sense given the patient information available? – should be no supplies ordered for that patient.
- Supply Ordering
  - Insure that 5th digit of HIPPS code is correct
    - If it is a letter – check supply provision – should be "yes"
    - If it is a number – check supply provision – should be "no" – if yes – contact clinical management.

Review…

- Supply Billing
  - Require billing staff to check HIPPS code for letter or number
  - Compare HIPPS code to bill
  - If supplies are billed – check for a letter in the 5th digit
    - If number is present, OASIS is incorrect – send to clinical management for review
    - If letter present – submit bill
  - If 5th digit is a letter and no supplies are billed –
    - Send to clinical management for review and correction of OASIS or for explanation
    - Correct HIPPS code or bill.
  - If 5th digit is a letter and supplies are billed- submit bill

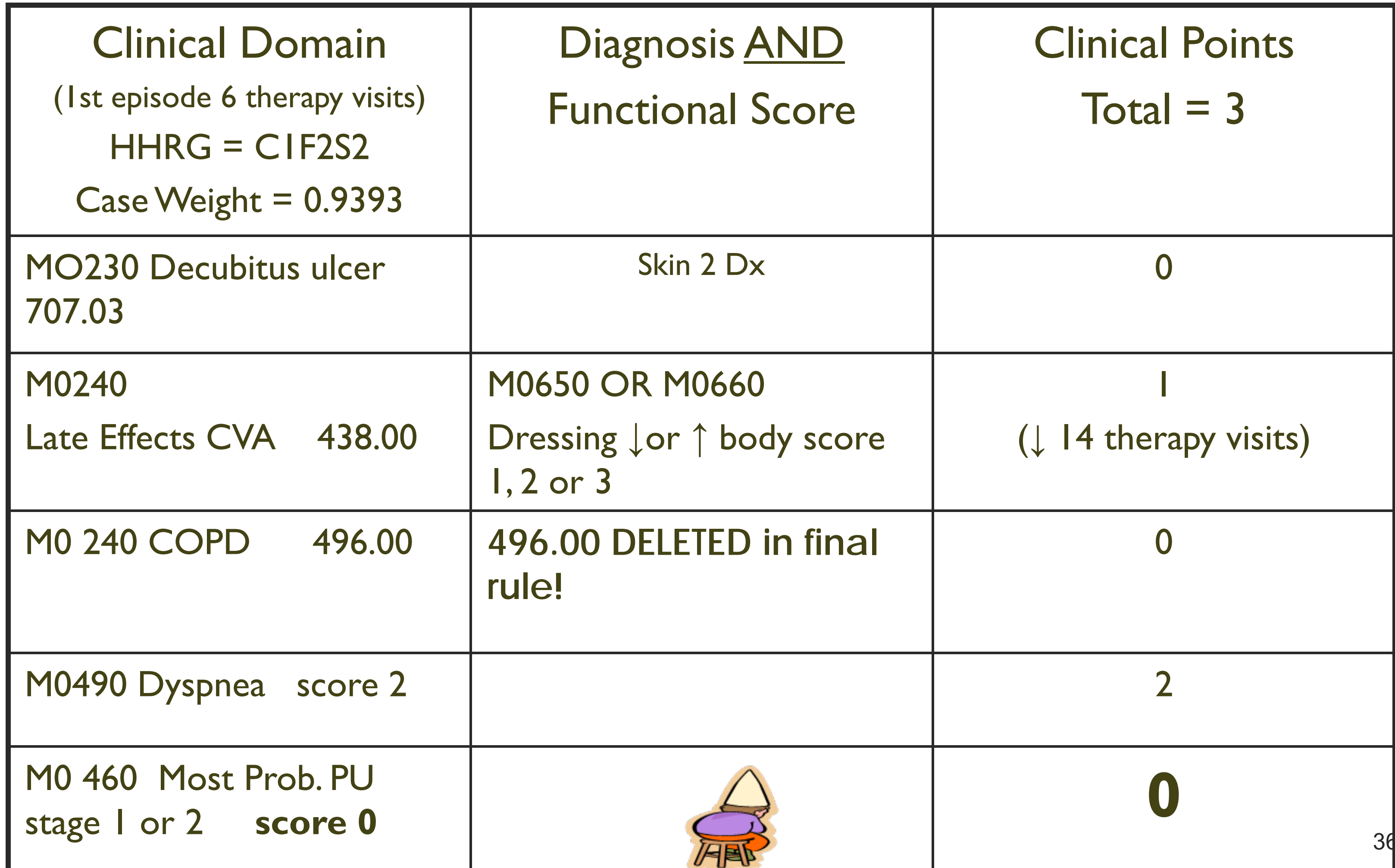
CASE STUDY

Mrs. Jones is an 80 year old woman in her 1st episode of care. She is seen for dressing changes to sacral decubitus ulcer (primary reason for care at admission) and for physical therapy due to debilitation from a CVA 6 months ago.

SN visits 2w3, 1w3 = 9 PT visits 2w3 = 6

HHRG = C1F2S2 Case Weight = 0.93

CASE STUDY



Clinical Domain (1st episode 6 therapy visits) HHRG = C1F2S2 Case Weight = 0.9393	Diagnosis AND Functional Score	Clinical Points Total = 3
MO230 Decubitus ulcer 707.03	Skin 2 Dx	0
M0240 Late Effects CVA 438.00	M0650 OR M0660 Dressing ↓or ↑ body score 1, 2 or 3	1 (↓ 14 therapy visits)
M0 240 COPD 496.00	**496.00 DELETED in final rule!**	0
M0490 Dyspnea score 2		2
M0 460 Most Prob. PU stage 1 or 2 **score 0**		**0**

CASE STUDY

Functional Domain **(1st episode 6 therapy visits)** **HHRG = C1F2S2** Case Weight 0.9393	Functional Points Total = 6
M0650 **OR** M0660 ↑↓ Body Dressing / score 3	2
M0670 **Bathing** / score 3	3
MO680 Toileting / score 1	0
M0 690 Transferring / score 2	0
M0 700 Ambulation / score 2	1

CASE STUDY

- NRS Severity Level = 1
- NRS Add on = $14.12
- 2008 Revenue = $2,132.51

  +14.12

  $2,146.63

Mistakes Cost Money

- M0450 was not completed
- The pressure ulcer was **not staged**
- Lost 5 case mix points at M0460

  (Table 2A row #36 M0460 most problematic pressure ulcer stage I or 2)

Let's Stage The Ulcer

Clinical Domain (1st episode 6 therapy visits) HHRG = C2F2S2 Case Weight = 1.0901	Diagnosis AND Functional Score	Clinical Points Total = 8
MO230 Decubitus ulcer 707.03	Skin 2 Dx	0
M0240 Late Effects CVA 438.00	M0650 OR M0660 Dressing ↓or ↑ body score 1, 2 or 3	1 (↓ 14 therapy visits)
M0 240 COPD 496.00	**496.00 DELETED in final rule!**	0
M0490 Dyspnea score 2		2
M0 460 Most Prob. PU stage 1 or 2 **score 2**		**5**

Functional Domain

Functional Domain **(1st episode 6 therapy visits)** **HHRG = C2F2S2** Case Weight 1.0901	Functional Points Total = 6
M0650 **OR** M0660 ↑↓ Body Dressing / score 3	2
M0670 **Bathing** / score 3	3
MO680 Toileting / score 1	0
M0 690 Transferring / score 2	0
M0 700 Ambulation / score 2	1

Staging Adds $

- **C2** F2 S2 = $2,474.88
- Case Weight = 1.0901
- 14 NRS points
- NRS Severity Level = 2
- NRS Add on = $ 51.00
- 2008 Revenue = $2,474.88
  +51.00
  $2,525.88

NEW HHRG!

- **Additional $342.37 HHRG revenue**
- **$51.00**
  -14 .12
  $36.88 additional NRS revenue
- **Total additional revenue = $379.25**

References

- Federal Register/Vol. 72, No 167/ Wednesday, August 29, 2007 Rules and Regulations
- Wil Gehne, CMS, *Overview of Billing and Claims Processing Changes*