### Why the Right Diagnosis Code Matters to Your Revenue: What Your MDS Team Should Be Doing

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#### **Objectives**

- · Explain how the assignment of primary diagnoses are likely to be scrutinized by auditors
- · Identify common high-risk areas for improper diagnosis coding.
- · Describe the link between primary focus of treatment and interdisciplinary progress notes
- Outline the revenue impact of adjustments related to unsupported diagnosis coding
- Describe best practices for assigning diagnoses and important tips for your staff to follow.



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## ICD-10 Coding: Multipurpose Use

- Collect diagnostic and statistical data about people treated by healthcare providers
- · Support clinical decision making
- Support reimbursement for services provided
- Comply with federal standards for reporting diagnostic data
- Provide data to support clinical research and quality improvement activities



## Coding Acute Conditions in SNF/LTC Setting

- An acute condition treated at the hospital that continues to require follow up or ongoing
  monitoring should be coded with an acute diagnosis code as long as the condition persists &
  requires continuing treatment or follow-up (i.e. PNA with nebs & antibiotics)
- The status of the acute condition would be assessed whenever the MDS is updated or in clinical review meetings (i.e. 24 hour report, PPS, or weekly Medicare meeting, etc.)
- Codes for the acute medical condition treated and <u>resolved</u> in the hospital are <u>not</u> coded or reported in the LTC facility
  - It is inaccurate to report an acute code for a resolved condition on the health record or claim because it directly contradicts the Official Guidelines for Coding and Reporting and is non-compliant with HIPAA regulations
- Z code for the aftercare may be used



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#### Patient-Driven Payment Model (PDPM)

- Due to issues raised in Office of Inspector General (OIG) and Medicare Payment Advisory Commission (MedPAC) reports, CMS considered revising the existing SNF PPS to more accurately reflect both resident needs and resource utilization.
- To make clear the purpose and intent of replacing the current (RUG-IV) model,
   CMS finalized a new model called the Patient-Driven Payment Model (PDPM).
- A resident's characteristics will be the primary determinate in classification.
- Skilled nursing facilities are paid in accordance with the new case-mix methodology beginning October 1, 2019.

# Effective Capture of ICD-10 Diagnosis Codes

PT/OT/SLP/Nursing/NTA



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### **MDS Coding Assignment**

- MDS staff- Although ICD coding and MDS coding are not identical, it will be necessary for the MDS coordinators to have knowledge of the appropriate codes.
- RAI guidelines for coding Section I of the MDS assessment, which contains the medical diagnosis information, have very specific criteria which limits the codes appropriate for the document.
- PPS assessments need to include the correct ICD 10 codes to support skilled services being billed to Medicare.



#### **SECTION I: Active Diagnoses**

The items in this section are intended to code diseases that have a
direct relationship to the resident's current functional status, cognitive
status, mood or behavior status, medical treatments, nursing
monitoring, or risk of death. One of the important functions of the
MDS assessment is to generate an updated, accurate picture of the
resident's current health status.



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#### **Default Codes**

- A code listed next to the main term that is most commonly associated with the main term, or is the unspecified code.
- If a condition is reported yet not identified as acute or chronic and no additional information is available a default code should be used.
- \*\*\*Never code directly from the default code listed, always confirm choice in the tabular list



#### Billable codes vs. Medical Record codes

- A code may be valid to report a condition, however, that condition may not be billable for the service you are providing.
- Ask yourself, is it reasonable and necessary to bill Medicare Part A for with the condition being reported with this diagnosis code?
- How does MDS, Rehab, & Clinical coding compare?



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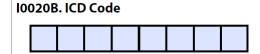
### Therapy Diagnosis Code & Primary Code

- LTC patient with Parkinson's disease returns after hospitalization for pneumonia with Medicare Part A stay
- Therapy Plan of Care medical diagnosis = Parkinson's Disease
- If Pneumonia is resolved- Primary diagnosis is Parkinson's Disease
- If Pneumonia is active- Primary diagnosis is Pneumonia followed by Parkinson's Disease



#### Determining the Primary Reason for Coverage

- ICD-10 codes determine the clinical category from mapping
- Multiple comorbidities will be more difficult to determine primary reason than single condition admits
- Should drive documentation





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# ICD-10-CM Official Coding Guidelines FY 2019 I.A. 19 (page 4)

- Code assignment and Clinical Criteria
- The assignment of a diagnosis code is based on the provider's diagnostic statement that the condition exists. The provider's statement that the patient has a particular condition is sufficient. Code assignment is not based on clinical criteria used by the provider to establish the diagnosis.



## **Diagnosis Code Impact**

- PT Clinical category assignment
- OT Clinical category assignment
- SLP co-morbidities list
- Nursing RUG levels
- NTA co-morbidity list



Description	Default Clinical Category	Resident Had a Major Proc Stay that Impact
Accidental puncture or laceration of dura during a procedure	Acute Neurologic	N/A
Accidental puncture and laceration of other nervous system organ or structure during a nervous system procedu		N/A
Accidental puncture and laceration of other nervous system organ or structure during other procedure	Acute Neurologic	N/A
Postprocedural hemorrhage of a nervous system organ or structure following a nervous system procedure	Acute Neurologic	N/A
Postprocedural hemorrhage of a nervous system organ or structure following other procedure	Acute Neurologic	N/A
Postprocedural hematoma of a nervous system organ or structure following a nervous system procedure	Medical Management	N/A
Postprocedural hematoma of a nervous system organ or structure following other procedure	Medical Management	N/A
Postprocedural seroma of a nervous system organ or structure following a nervous system procedure	Medical Management	N/A
Postprocedural seroma of a nervous system organ or structure following other procedure	Medical Management	N/A
Other intraoperative complications of nervous system	Medical Management	N/A
Other postprocedural complications and disorders of nervous system	Medical Management	N/A
Neurogenic arthritis, not elsewhere classified	Non-Surgical Orthopedic/Musculoskeletal	N/A
Other disorders of nervous system	Acute Neurologic	N/A
Autonomic neuropathy in diseases classified elsewhere	Return to Provider	N/A
Myelopathy in diseases classified elsewhere	Return to Provider	N/A
Other specified disorders of nervous system in diseases classified elsewhere	Return to Provider	N/A
Hordeolum externum right upper eyelid	Return to Provider	N/A

Diagnose	Diagnoses in the last 7 days - Check all that apply es listed in parentheses are provided as examples and should not be considered as all-inclusive lists leart/Circulation
	•
111	loout (Civarilation
H	leart/Circulation
IO	<b>D200.</b> Anemia (e.g., aplastic, iron deficiency, pernicious, and sickle cell)
<u> </u>   10	<b>D600. Heart Failure</b> (e.g., congestive heart failure (CHF) and pulmonary edema)
<u> </u>   10	0700. Hypertension
<u> </u>   10	0800. Orthostatic Hypotension
lo	0900. Peripheral Vascular Disease (PVD) or Peripheral Arterial Disease (PAD)
G	astrointestinal
I1	1300. Ulcerative Colitis, Crohn's Disease, or Inflammatory Bowel Disease
G	enitourinary
I1	1550. Neurogenic Bladder
	1650. Obstructive Uropathy
In	nfections
I1	1700. Multidrug-Resistant Organism (MDRO)
	2000. Pneumonia
<u> </u>	2100. Septicemia
	2200. Tuberculosis
X   I2	2300. Urinary Tract Infection (UTI) (LAST 30 DAYS)
	<b>2400. Viral Hepatitis</b> (e.g., Hepatitis A, B, C, D, and E)
	2500. Wound Infection (other than foot)
M	Metabolic Metabo
I2	2900. Diabetes Mellitus (DM) (e.g., diabetic retinopathy, nephropathy, and neuropathy)

Α.	$\top$
^·	$\Rightarrow$
В	
C	
D	
E	
F	
G	
н	
I	
J.	$\neg$

#### FY 2022 Rates

TABLE 4: FY 2022 Unadjusted Federal Rate Per Diem—URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$62.82	\$58.48	\$23.45	\$109.51	\$82.62	\$98.07

TABLE 5: FY 2022 Unadjusted Federal Rate Per Diem—RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$71.61	\$65.77	\$29.55	\$104.63	\$78.93	\$99.88

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Clinical Category P = Presumption	Functional Score	Case	/OT e-Mix oup	PT CMI	OT CMI
Major Joint Replacement	0-5	TA	8 P	1.53	1.49
Or Spinal Surgery	6-9	TB	3 P	1.70	1.63
	10-23	TC	1 P	1.88	1.69
	24	TD	2 P	1.92	1.53
Other Orthopedic	0-5	TE	11 <b>P</b>	1.42	1.41
	6-9	TF	5 P	1.61	1.60
	10-23	TG	4 P	1.67	1.64
	24	TH	13	1.16	1.15
Medical Management	0-5	TI	14	1.13	1.18
	6-9	TJ	10 P	1.42	1.45
	10-23	TK	7 <b>P</b>	1.52	1.54
	24	TL	15	1.09	1.11
Non-Orthopedic Surgery &	0-5	TM	12	1.27	1.30
Acute Neurologic	6-9	TN	9 P	1.48	1.50
	10-23	TO	6 <b>P</b>	1.55	1.55
	24	TP	16	1.08	1.09

PT & OT Groups \$62.82 \$58.48 Urban FY22



## \$62.82 x 1.42 + \$58.48 x 1.41= \$171.66

Other Orthopedic	0-5	TE	11 P	1.42	1.41
	6-9	TF	5 P	1.61	1.60
	10-23	TG	4 P	1.67	1.64
	24	TH	13	1.16	1.15
Medical Management	0-5	TI	14	1.13	1.18
Medical Management	0-5 6-9	TI TJ	14 10 P	1.13 1.42	1.18 1.45
Medical Management					





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## Diagnosis Code Adjustments PT/OT

Other Orthopedic	0-5	TE	11 P	1.42	1.41
	6-9	TF	5 P	1.61	1.60
	10-23	TG	4 P	1.67	1.64
	24	TH	13	1.16	1.15
Medical Management	0-5	TT	14	1.13	1.18
8	0 5	11	17	1.13	1.10
ů	6-9	TJ	10 P	1.42	1.45
Ü		TJ TK			

- Reported diagnosis supports ortho
- 0-5 Functional score Adjusted dx supports Med Mgmt
- Functional score same (0-5)
- Reduced revenue \$139.99 (loss of \$31.67/day)



### Other SLP-Related Scoring Components

#### **SLP-Related Comorbidities**

MDS Item	Description
I4300	Aphasia
I4500	CVA, TIA, or Stroke
I4900	Hemiplegia or Hemiparesis
I5500	Traumatic Brain Injury
I8000	Laryngeal Cancer
I8000	Apraxia
I8000	Dysphagia
I8000	ALS
I8000	Oral Cancers
I8000	Speech and Language Deficits
O0100E2	Tracheostomy Care While a Resident
O0100F2	Ventilator/Respirator While a Resident

SLP Clinical Category\_\_\_\_\_\_
Swallowing Disorder (K0100A-D)? Yes or No
Mechanically Altered Diet (K0510C)? Yes or No
CFS Score 2, 3, or 4? Yes or No
At least one SLP-related Comorbidity? Yes or No

K0100. S	wallowing Disorder
Signs and	symptoms of possible swallowing disorder
↓ Che	eck all that apply
	A. Loss of liquids/solids from mouth when eating or drinking
	B. Holding food in mouth/cheeks or residual food in mouth after meals
	C. Coughing or choking during meals or when swallowing medications
	D. Complaints of difficulty or pain with swallowing
	Z. None of the above

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Determine SLP
Case Mix Group
using CFS,
Clinical Category,
Comorbidities,
Diet, &
Swallowing
Disorder



Presence of:	Mechanically	SLP Ca	ase	CMI
Acute Neurologic Condition,	Altered Diet or	Mix Group		
SLP-Related Comorbidity, or	Swallowing			
Cognitive Impairment	Disorder (MDS Section K)			
None	Neither	SA	12	0.68
	Either	SB	10	1.82
P = Presumption	Both	SC	7 P	2.67
Any One	Neither	SD	11	1.46
Any one	Either	SE	8 P	2.34
	Both	SF	5 P	2.98
Any Two	Neither	SG	9	2.04
Any 1wo	Either	SH	6 P	2.86
	Both	SI	3 P	3.53
All three	Neither	SJ	4 P	2.99
	Either	SK	2 P	3.70
	Both	SL	1 P	4.21

# SLP diagnosis adjustment \$29.55- Rural

Any One	Neither	SD	11	1.46
	Either	SE	8 P	2.34
	Both	SF	5 P	2.98
Any Two	Neither	SG	9	2.04
Ally IWO	Either	SH	6 P	2.86

- \$29.55 x 3.53 = \$104.31
- \$29.55 x 2.98 = \$88.06

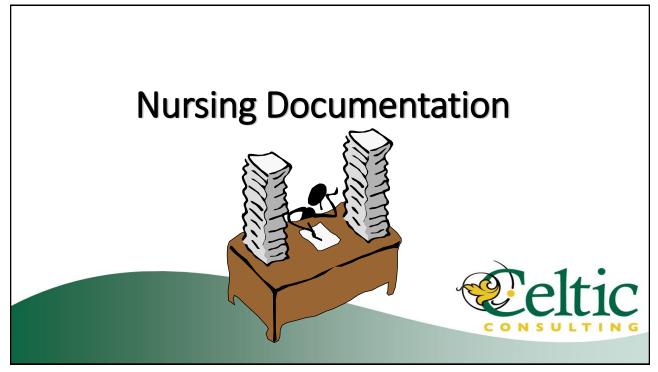


• Reduced revenue \$16.25/day





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#### Reasonable and Necessary Determination

- Based upon review of all pertinent medical record documentation including information entered on the MDS
- Reviewer develops a clinical picture of beneficiary utilizing diagnosis, assessment information, and other observations contained in medical record
- Clinical picture identifies functional limitations, complications (present and expected), cognitive factors, length and history of present illness, complexity of treatment regimen, previous functioning level, limitations due to decreased strength, hospital discharge information, teaching needs, rehabilitation goals, etc.
- Cognitive Ability is a Factor



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#### **Case Mix Acuity Comparisons**

ES3	Α	4.04	LDE1	I	1.72	CA1	Q	0.94
ES2	В	3.06	LBC2	J	1.71	BAB2	R	1.04
ES1	С	2.91	LBC1	K	1.43	BAB1	S	0.99
HDE2	D	2.39	CDE2	L	1.86	PDE2	Т	1.57
HDE1	E	1.99	CDE1	М	1.62	PDE1	U	1.47
HBC2	F	2.23	CBC2	N	1.54	PBC2	V	1.21
HBC1	G	1.85	CBC1	0	1.34	PBC1	W	1.13
LDE2	Н	2.07	CA2	P	1.08	PA2 PA1	X Y	0.7 0.66



# Nursing Diagnosis Adjustment \$109.51

Nursing PDPM Case Mix Group

• ES1 C 2.91

• \$109.51 X 2.91 = \$318.67

**Revenue Adjustment (loss)** 

• CA1

Q 0.94

• \$109.51 X 0.94 = \$102.94

• Loss of **\$215.73/day** 



Condition/Extensive Service	<u>ICD10</u>	MDS Item	Points
HIV/AIDS	B20	N/A – claim only	8
Parenteral/IV Feeding - High Intensity while a resident		K0510A2, K0710A2	7
IV Medication while a resident		O0100H2	5
Ventilator/Respirator		O0100F2	4
Parenteral/IV Feeding - Low Intensity while a resident		K0510A2, K0710A2 & B2	3
Lung Transplant status	T86.3-; T86.81-; Z48.24; Z48.280; Z94.2; Z94.3	I8000	3
Transfusion while a resident		O0100I2	2
Major Organ Transplant status, except lung	D89.81-; T86.0- thru T86.5; T86.85-; Z48.2-; Z94.0 thru Z94.4; Z94.81 thru Z94.84	I8000	2
Multiple Sclerosis (MS)		I5200	2
Opportunistic Infections	A07.2; A31; B25; B37.1; B37.7; B37.81; B44; B45; B46; B48.4; B48.8; B58.2; B58.3; B59	I8000	2
Asthma, COPD, Chronic Lung Disease		I6200	2
Bone/Joint/Muscle Infections/Necrosis (except Aseptic Necrosis)	A01.04; A01.05; A02.23; A02.24; A39.83; A39.84; A50.55; A54.4-; A66.6; A69.23; B06.82; B26.85; B42.82; M00.0-thru M02.9; M46.2-thru M46.39; M72.6; M86; M89.6-;	I8000	2
Chronic Myeloid Leukemia	C92.1-	I8000	2
Wound Infection (other than foot)		12500	2
Diabetes Mellitus (DM)		12900	2
Endocarditis	A01.02; A18.84; A32.82; A39.51; A52.03; A78; B33.21; B37.6; I33.0; I33.9; I38; I39; M32.11	18000	1
Immune Disorders	D80; D81; D82; D83; D84; D89.3; D89.82; D89.89; D89.9	18000	1
End-Stage Liver Disease	I85.1-; K70.41; K71.11; K72.01 <u>- K72.1</u> -; K72.9-; K76.6; K76.7; K76.81	18000	1

	1210.1, 1210.01		
Diabetic Foot Ulcer		M1040B	1
Narcolepsy and Cataplexy	G47.4-	I8000	1
Cystic Fibrosis	E84	I8000	1
Tracheostomy while a resident		O0100E2	1
Multidrug-Resistant Organism (MDRO)		I1700	1
Isolation/quarantine		O0100M2	1
Specified Hereditary Metabolic /Immune D/O	D84.1; E88.01	I8000	1
Morbid Obesity	E66.01; E66.2; Z68.4-	I8000	1
Radiation while a resident		O0100B2	1
Stage 4 Pressure Ulcer (points for presence, not #)		M0300D1	1
Psoriatic Arthropathy & Systemic Sclerosis	L40.5-; M34	I8000	1
Chronic Pancreatitis	K86.0; K86.1	I8000	1
Proliferative Diabetic Retinopathy & Vitreous Hemorrhage	E08351; E08359; E09351; E09359; E10351; E10359; E11351; E11359; E13351; E13359; H43.1-	18000	1
Foot Infection, Other Open Lesion of Foot (except diabetic foot ulcer)		M1040A, M1040C	1
Complications of Specified Implanted Device/Graft (CAUTION: T codes end in "A" here)	M96.6-; N99.5-; T82.3-; T82.5-; T82.6-; T82.7-; T86.842; <u>Certain codes</u> in the following areas - T82.8-; T83; T84; T85;	I8000	1
Intermittent Catheterization		H0100D	1
Inflammatory Bowel Disease		I1300 / I8000	1
Aseptic Necrosis of Bone	M87; M90.5-	I8000	1

Condition/Extensive Service	ICD10	MDS Item	Points
Suctioning		O0100D2	1
Cardio-Respiratory Failure & Shock	I46; I49.0-; J80; J81.0; J95.1; J95.2; J95.3; J95.82-; J96; R57-; T81.11XA	I8000 (also v/ dysrkythmias 10300 &/or resp failure 16300 if applicable)	1
Myelodysplastic Syndromes & Myelofibrosis	D46; D47.4; D75.81	I8000	1
Systemic Lupus (SLE); Other Connective Tissue D/O; and Inflammatory Spondylopathies	M08.1; M30; M31; M32-; M33; M35.0-; M35.1; M35.5; M35.8; M35.9: M36.0; M36.8; M45; M46.0-; M46.1; M46.5-; M46.8-; M46.9-; M48.8-; M49.8-; Q79.6; Q87.4-	18000	1
Diabetic Retinopathy (Nonproliferative)	Categories E08-E13 ophthalmic complications	I8000	1
Feeding Tube while a resident		K0510B2	1
Severe Skin Burn or Condition	L12.3-; L51.1; L51.2; L51.3; Codes T31 & T32 with ≥10% body	I8000 (also √applicable conditions in Section M)	1
Intractable Epilepsy	Intractable codes with or without status epilepticus starting at G40.01- thru G40.9-	I8000 (also √ seizures 15400)	1
Malnutrition (or at risk)		I5400	1
Disorders of Immunity (except immune d/o above)	D61.81-; D70; D71; D72.0; D76; D89.81-	I8000	1
Cirrhosis of Liver	K70.3- thru K70.9; K74.3 thru K74.69	I8000 (also √ cirrhosis 11100)	1
Bowel/Bladder Ostomy		H0100C	1
Respiratory Arrest	R09.2	I8000	1
Pulmonary Fibrosis & Other Chronic Lung D/O	B44.81; J47; J70; J84; J99; M32.13; M33.01; M33.11; M33.21; M33.91; M34.81; M35.02	I8000	1

#### **Isolation Coding**

- Code for "strict isolation" only when <u>all</u> of the following conditions are met:
  - 1. The resident has active infection with highly transmissible or epidemiologically significant pathogens that have been acquired by physical contact or airborne or droplet
  - 2. Precautions are transmission-based precautions (contact, droplet, and/or airborne) must be in effect.
  - 3. The resident is in a room alone because of active infection and cannot have a roommate. They are in the room alone and not cohorted with a roommate regardless of whether the roommate has a similar active infection that requires isolation.
  - 4. The resident must remain in his/her room. This requires that services be brought to the resident (therapy, activities, dining, etc.).



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NTA Score Range	NTA Case Mix Group	<u>CMI</u>
12 +	NA P	3.24
9-11	NB	2.53
6-8	NC	1.84
3-5	ND	1.33
1-2	NE	0.96
0	NF	0.72

Determine NTA
Case Mix Group
using Score
Total for all
Comorbidities



3-5	ND	1.33
1-2	NE	0.96



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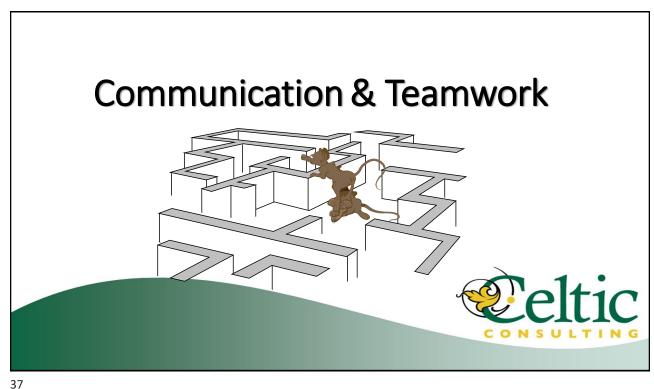
# NTA Diagnosis Adjustment- Urban

 Can be driven by diagnoses or loss of other qualifiers like isolation

3-5	ND	1.33
1-2	NE	0.96

- \$82.62 X 1.33 = \$109.88
- \$82.62 X 0.96 = \$79.31
- Loss of \$30.57/day

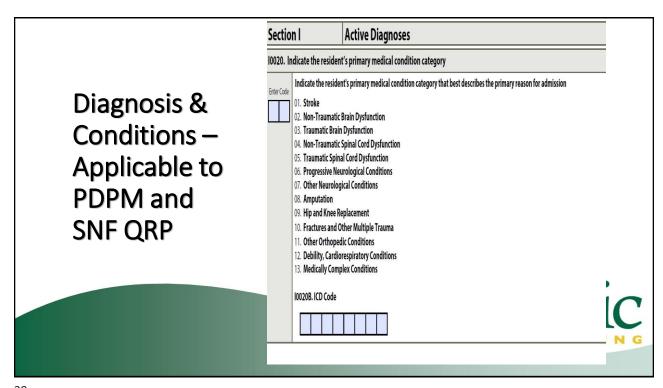




### PDPM & SNF QRP

- Section GG, diagnosis is also used to determine expected progress
- Improvement in function from admission to discharge
  - Self care
  - Mobility
- Meet or Exceed Discharge Score
  - Self care
  - Mobility





### **Reimbursement Strategies**

- Staff awareness and on-going education
- Integration of facility functions:
  - Admissions
  - Clinical
  - Financial
- Organizational commitment to an appropriate, complete, and thorough documentation process



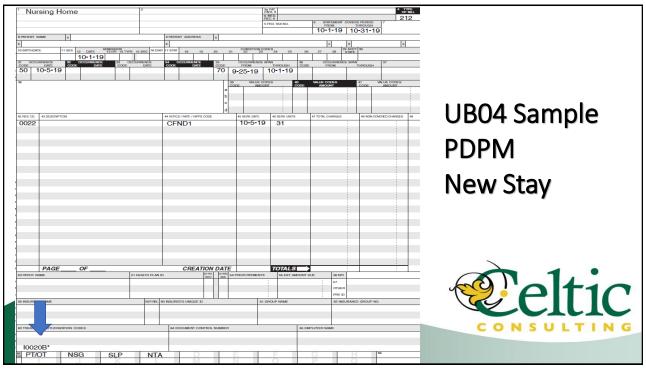
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### Auditing & QA

- Monitor appropriateness of diagnosis codes on your claims prior to submission
  - Do all diagnoses agree across various disciplines?
  - All required codes reported?
  - Were any claims denied/returned/suspended
- Update triple check processes to include diagnosis review, if not already included



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#### Post-Acute Care Advisors of Clinical Operations and Regulatory Compliance

#### Post-Acute Care Operations

- √ Reimbursement & Regulatory Advisory Services
- ✓ PDPM/MDS/CMI Expertise

#### Quality Improvement

- ✓ 5-Star Rating/Quality Improvement Strategies
- √ Payroll Based Journal Reporting Guidance

#### **Provider Litigation Support for Post-Acute Care**

- ✓ Independent Review Organization (IRO)
- √ Mergers and Acquisitions Due Diligence

#### **Compliance Solutions**

√ Medicare Compliance Auditing

#### Clinical Care Management

- √ Survey Preparedness
- √ Infection Prevention Protocols

**Medical Coding and Billing** 





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# **MDSRESCUE**

#### RESCUE YOUR REVENUE AND IMPROVE ACCURACY

MDSRescue steps in remotely for facilities anywhere in the country. Subject matter experts ensure assessment completion conforms to regulations, is accurate and timely, which improves 5-Star ratings. MDSRescue alleviates the financial burdens of traditional hiring process, and reports MDS hours for Payroll-Based Journals when applicable.

#### REMOTE PRN SERVICE

- Flexible coverage
- Support during rise in caseload, staff vacations
- Avoid traditional hiring costs

#### SKILLED STAFF

- High level, qualified staff, many RAC-Certified nurses
- Continually educated to attain the most up-to-date information

## REVENUE INTEGRITY

 Maintaining quality documents supports compliance, contributing to peace of mind and payment retention

www.mdsrescue.com

#### Questions??

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