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Simple and Easy: Winning in PDPM Payment and Regulatory Strategies
Self-Audit your PDPM Payment Process



Self-Audit to Identify Accuracy Issues

Though CMS paused audits due to the pandemic, audit activity resumed in August 2020. With new regulations and renewed focus on SNFs, audits are not an 'if,' but 'when.' Conducting an internal PDPM payment audit using HIPPS codes and the core processes of external auditors can help identify specific issues, manage complex requirements and evaluate performance.

Must-Haves for Internal Audits

Data quality and accuracy should be key priorities for your internal audit. During an audit, your organization should look at clinical and operational issues, skilled PDPM categories, documented covered services, and document coding.

Some key areas to focus on in an internal audit include:

- Documentation of Part A skilled nursing and/or rehab services
- Whether facility documentation and data formulation processes follow policies and procedure
- Technical and clinical eligibility
- The process for certifications and physician signatures and where are they filed
- Diagnostic coding and compliance with CMS mapping guidance
- Whether section references to the MBPM Chapter 8 are in the record

Use of HIPPS Codes

Under PDPM, all base payment rates are set by Minimum Data Set (MDS) 3.0 data, and the codes you input have a direct correlation on your reimbursement. All Medicare Part A stay assessments create a Health Insurance Prospective Payment System (HIPPS) code prior to transmission of the MDS. Identifying the HIPPS codes and aligning them into MDS payment categories can help identify data accuracy issues.

A simple but effective process to audit data flow and confirm accuracy and compliance is to follow the pathway from HIPPS code to MDS payment category and to the record for reproducible documentation.

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Self-Audit to Identify Accuracy Issues

Start by getting to know the specifics of the new HIPPS codes from Chapter 6 of the RAI manual. There are five characters and each represents a different area:

1. The first character represents the resident's PT and OT payment group.
2. The second character represents the resident's SLP or speech-language pathology therapy payment.
3. The third character represents the resident's nursing payment group.
4. The fourth character represents the NTA, or non-therapy ancillary payment group.
5. The fifth character represents the resident's assessment used to classify the resident.

Each HIPPS code creates a specific database to audit accuracy of MDS assessment. To conduct a self-audit:

- Gather HIPPS codes from monthly billing data and trace qualifiers back to the medical record during the assessment reference period
- Evaluate patterns of HIPPS code letters for each of the five payment areas
- Look for patterns that diminish payment or that create data that does not support skilled services, or that include non-covered PDPM payment groups
- Ensure everything is reproducible

Review Your Training

The shift from PPS to PDPM is a substantial one, with a total change in data items contributing to payment rates and a dramatic increase in the number of MDS items which impact payment rates. All data formulation into the MDS database must begin with proficiency with current regulatory definitions and the October 2019 RAI Manual updates. As you conduct an internal audit, it is essential to make sure each team member is trained and competent with the new definitions and data formulation for each section or item on the MDS 3.0.

There are new, very specific regulations related to the MDS data collection process. Accuracy of the assessments is a big focus of the regulatory terminology – there is no room for errors in coding. Every team member who codes on the MDS must know the accuracy standard and the steps for the assessment in the RAI Manual.

The regulations also have many specific references to the competency and training of those who are selecting item responses on the MDS, so as you review your training, confirm you are keeping detailed training records. Training new hires is important as well, and onboarding and orientation programs must include documentation guidelines for all departments.

Further Learning

Internal audits involve many steps, but they are a valuable tool to ensure compliance. For more resources, guidance on dealing with additional documentation requests, and a deeper dive into specific coding areas to focus on for PT, OT, SPL, Nursing and NTA, watch our full webinar <link> on self audits.