



ABILITY PDPM Series

# ICD-10 Coding Under PDPM



OCTOBER

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The new Patient-Driven Payment Model (PDPM) is now underway, and requires an entirely new method for documenting, assessing and billing care for Medicare and Medicaid beneficiaries.

### The biggest change?

The condition of each resident viewed holistically, rather than in therapy minutes, is the determining factor in reimbursement. At the heart of that reimbursement are the tens of thousands of procedure and ICD-10 diagnosis codes.



Make sure all assessments and diagnoses are coded and documented correctly and that they align. Flag discrepancies in documentation, before it affects reimbursement.

## ICD-10 is used in two ways under PDPM:

1

The patient's primary diagnosis for a skilled nursing facility stay must be reported on the MDS. The diagnosis is mapped to one of 10 PDPM clinical categories, representing groups of similar diagnosis codes. These are then used as part of the patient's classification under the physical, occupational and speech-language therapy components.



Ensure your primary diagnosis maps correctly. Check CMS' [Clinical Category Mapping tool](#) to match the ICD-10-PCS code to the clinical categories.

2

Capture additional diagnoses and comorbidities for each patient – which could determine speech-language comorbidities and non-therapy ancillary comorbidity scores.



Don't overlook additional diagnoses indicated in the resident's medical record, particularly non-therapy ancillaries.

# What's new with coding?

Reimbursement now is driven directly by diagnosis and falls under five case-mix adjusted components.

**New MDS sets and items that will impact coding include:**

- 1 SNF primary diagnosis:** classifies each resident into a PDPM category, which drives reimbursement
- 2 Patient surgical history:** captures major surgical procedures during hospital stays that immediately preceded the SNF admission
- 3 Discharge therapy items:** reports patient therapy minutes by discipline and mode of therapy
- 4 Interim performance:** uses items in the new Section GG of the MDS to standardize patient functional assessments across payment settings



Consider incentivizing an existing staff member to seek credentialing or certification in ICD-10. The Agency for Health Care Administration provides PDPM-specific ICD-10 diagnosis code training for its members.

## The consequences of getting it wrong.

If your facility does not enter MDS and claim information correctly, you could subject yourself to needless delays, incorrect payments, or worse — audits.

If you go beyond an allowed grace period (about a week) to submit your assessments, CMS assigns a default reimbursement rate to your facility – which could mean  a loss of as much as **\$330** per day.

And you're stuck with that rate until your next assessment period. That's why it's critical that skilled nursing care is indicated as the primary reason for your patient's stay.



**Start practicing now:** Review closed records and determine which diagnosis your team would code. Retrain staff to ensure the primary diagnosis is correctly entered at the onset for every resident.



## Some final tips for navigating PDPM

1

Assess the information you're getting from the discharging hospital today and determine if you're currently getting the appropriate diagnosis codes and surgical procedure history to support the coding of the five-day PPS assessment.

2

The newly created Interim Payment Assessment (IPA) has its own item set. Because it only contains payment and demographic items, you will need to obtain a billing code under PDPM. To receive a PDPM health insurance prospective payment system (HIPPS) code, providers were required to complete an IPA with an Assessment Reference Date no later than October 7, 2019, for all SNF Part A patients.

**October 1, 2019, was considered day 1 of the variable per diem schedule under PDPM,** even if the patient began their stay prior to that date.

**Ensuring your ICD-10 skills are up to par will keep you from taking a financial hit now that PDPM is in effect.**

Learn the ins and outs of PDPM reimbursement and identify how your organization will gain the necessary ICD-10 coding skills and expertise to thrive under the new model.



**find out how  
ABILITY can help  
you successfully  
navigate PDPM**

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