

## BEST PRACTICE PAPER

**Summary:** Coding has always been a mainstay of the home health business. Diagnosis coding for home health, has a direct impact on a business’s bottom line. And with the arrival of the Patient-Driven Groupings Model (PDGM), coding has taken on a whole new level of importance.

Now more than ever, coders must understand not only the rules and regulations that govern how they assign individual codes to capture diagnoses, but also a complicated payment system, the intricacies of the home health billing process and how coding interacts with the OASIS clinical assessment. This new environment creates opportunities for those coders who are willing to put in the effort to set themselves apart and create real value for their organizations.

Additionally, for those agencies that are considering whether to outsource their coding needs—something some experts say is becoming more common post-PDGM—there are some key considerations to keep in mind.

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### Section 1: What Makes a Good Coder

**Above all, pay attention to detail.** More than any other quality, attention to detail is a must-have for those coders who seek to rise above average to excellent, experts say.

While technical knowledge can be taught and developed, what really separates the great coders from the mediocre ones is willingness to scour the record for the details needed to code accurately. A great coder knows how to find the documentation that makes clear the focus of what the agency is providing for the patient. These coders apply what they find to assign codes in a way that ensures the agency is rightfully reimbursed for the services it is providing.

In fact, this quality is more important when hiring a potential coder than even having a clinical background or experience in home health, says Teresa Northcutt, a consultant with Denton, Texas-based Selman-Holman and Associates.

Subjects like anatomy, physiology and the home health payment structure can be taught, but the innate skill of attention to detail is harder to teach someone and could render a clinical background suboptimal, Northcutt says.

Consider that Northcutt has known nurses who have been coding certified for years. With the proper training, a detail-oriented person, even one without a medical background, can be a better coder.

“Do you find that detail on page 34 [of the chart], or don’t you?” Northcutt asks.

**Good coders prevent compliance risks.** AHCC Board Member, Sharon Harder, president of Wheaton, Ill.-based C3 Advisers LLC, also lists the ability to pay attention to detail as one of the top skills a good coder must possess. A good coder

“must get down into the details” within the medical record to make sure that the coding aligns with the focus of care.

Coding that is inconsistent with the plan of care “is a huge compliance issue,” especially in a post-PDGM world, Harder says.

**For example:** Suppose your patient has diabetic ulcers in addition to hypertension, heart disease and chronic kidney disease. But while the diabetic ulcers are truly the focus of the agency’s attention, the coder assigns the hypertensive heart disease in the primary position.

Not only is the primary diagnosis inconsistent with the agency’s focus of care—the diabetic ulcers—this coding error also pushes the claim into the MMTA cardiac payment group under the PDGM system, when it really belongs in the wound group, Harder points out.

The wound payment group would provide additional reimbursement for the agency—reimbursement the agency deserves and needs based on the resources required to care for that diagnosis. As a result, the way this claim is coded is not only noncompliant, it also leaves money to which the agency is entitled on the table.

On the other hand, however, Harder cautions coders against believing that their job is to maximize reimbursement. Rather, their job is to read the patient’s chart and assign codes based on the patient’s relevant medical history and the focus of the care that the agency is providing, she says.

“Any coder who’s been told to code for reimbursement should be concerned,” Harder says.

**Knowledge matters.** It may seem simple, but it’s still true that one can’t be a good coder without a solid knowledge of the coding conventions and guidelines that govern how the codes can and should be assigned.

Beyond simple knowledge of coding guidelines and conventions, good coders will also have an understanding of “how it all works together,” says Arlynn Hansell, AHCC Board Member, physical therapist and owner of Therapy and More in Cincinnati, Ohio, a home health consulting company that offers outsourced coding services.

Good coders “really understand the chart” and they make sure that everything is cohesive between the physician’s and the nurse’s documentation, and the OASIS responses, Hansell says.

They have the ability to correctly interpret the kind of language typically seen in H&P documents, which isn’t always “cut and dry,” she says. And, even if they’re

only providing coding services and not also an OASIS review, a good coder will still look at the entire OASIS.

**Experience is key but a clinical background is not.** Experience and exposure to the home health environment is a must-have for any coder Hansell would consider hiring. A solid prospective hire should have a minimum of two years working in the home health industry—with coding, QA or OASIS, as field staff, etc.

However, a successful coder candidate doesn't necessarily have to have a clinical background in order for Hansell to give him or her a second look. In fact, two of Hansell's coders are non-clinicians and she says they're her best because they don't make assumptions about information they find in patients' charts.

"I have to get on my RNs constantly" about making assumptions, she says. Conversely, non-clinical coders "don't put A and B together," though they may be slightly hindered by having to look up terminology that a clinician would know.

Beth Noyce of Noyce Consulting, a home health and hospice expert and retired AHCC board member, agrees that clinicians don't always make better coders. "They can be but not always," she concurs.

Northcutt also concurs: Non-clinical coders are less likely to "overthink" or to get "sucked into the plan of care," she says.

**Be willing to ask questions and be committed to continuous learning.** Good coders are always learning, experts say.

Because coding rules change "all the time," it's important to be a good learner, Noyce says. After all, the job you did five years ago is not the same job you're doing today, she says.

Additionally, "you have to know your limitations" and when to reach out for help, Hansell says.

**Work efficiently.** Good coders move through their work efficiently and can clear charts, Harder says. Pinpointing exactly how many charts a good coder should be able to get through in a workday is variable, however.

While considering that some agencies tend to take on more complicated cases that take longer to code while others focus more on simpler cases like joint replacements or aftercare, an expectation of eight to ten charts a day is a good target, she says.

**Don't count out people skills.** In addition to experience and technical acumen, Hansell also needs her coders to be able to communicate well with different people and in different situations.

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The different clients her company serves have different communication preferences, so the coders assigned to those accounts must be comfortable and able to interact according to those preferences, Hansell says.

**You've got to love what you do.** Coders who stand out from the rest show a love for the discipline, Harder says. "If you don't really like doing it, it can get to be drudgery," she says.

## Section 2: How to Demonstrate Your Worth as a Coder

**Prepare to be tested before you get hired.** Your resume and your coding certification may be enough to get you in the door but they're not enough to guarantee you a job.

Hansell implemented a skills test for all of her prospective hires after being burned by less-than-excellent coders who, despite "[looking] good on paper," failed to deliver in their actual work product.

The test Hansell gives covers a mix of coding and OASIS concepts—she requires all of her hires to be dually certified. Once hired, Hansell's coders must maintain a 95% accuracy rating and pass monthly quizzes that determine whether they're keeping up with changing guidance.

**Watch what you say in public forums or how you communicate with prospective employers.** Prior to the advent of the social media forums that are now popular ways for prospective coders to seek employment, Northcutt found many coders at live coding conferences and other events.

That kind of live environment provided Northcutt with a way to directly observe the prospective hire. She would watch how quickly the coder worked and paid attention to the kind of question he or she would ask. However, this level of scrutiny is not possible via social media, which makes the process of weeding through job candidates more difficult, Northcutt says.

So, one thing Northcutt's company looks for is how the job seeker has answered questions from other coders within these forums. If the coder is providing good information to others, they're more likely to take a second look at coder for a potential coding position.

A surefire way to lessen your chances of getting hired by Northcutt's company, however, is to ask the same question more than once, especially if it's within a short amount of time—something Northcutt says is her "personal pet peeve."

To Northcutt, this shows that you're probably not paying attention. And for a job where keen attention to detail is paramount, this is a poor way to prove your professional worth to a prospective employer.

Be encouraged—there’s no shortage of demand for coding services, she says. What’s difficult for employers looking to hire coders is finding the ones who are qualified and who can “hit the ground running.”

The more you can prove your qualifications, the easier the decision will be for a company to bring you on board.

**Show what you know.** If you’re looking to get hired, be prepared to show that you can code accurately and be able to tell a prospective employer what makes you a superior candidate, Noyce says.

For example, be able to explain how the PDGM system affects coding and vice versa, she says. Demonstrating that you have knowledge of all pieces of the home health coding puzzle is key.

### Section 3: What to Look for—and Look Out for—if You’re in the Market for Outsourced Coding Services

**Vet any prospective outsourcer.** If your agency is looking to purchase outsourced coding services, it’s important to know that the coders who will be working on your charts know what they’re doing. Ask the company how they train their coders and how they ensure their skills are adequate, Noyce says.

The company’s coders should be certified and have experience with and expertise in home health coding, Harder recommends. If the outsourcer’s coders have CPC certifications in outpatient cardiology, for example, that won’t cut it for a home health agency as the skill set is completely different.

Poorly trained coders could lead to multiplied problems down the line, Northcutt warns. It’s especially important to work with outsourced coding providers that make staff education a priority. If all of an organization’s coders are making the same mistakes, the mistake will be reflected in all of your records.

One area where mistakes are common is wound coding, Northcutt says. For this reason, she recommends that agencies that care for a lot of wounds watch their outsourcer’s records carefully. Repeated mistakes in wound coding can cost agencies a lot of money.

**Know where your records are going and what the company is doing with your data.** In addition to making sure that your prospective outsourcer employs certified coders with home health-specific knowledge, Harder suggests asking the company how they handle HIPAA compliance issues, business associate agreements and confidentiality agreements.

You need to know that those who are coding your records are looking at only what they’re supposed to be looking at, and nothing more, she says.

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What if the outsourced coding provider employs overseas coders? When considering whether to work with an outsourced coding provider who employs overseas coders, be sure to ask how the organization ensures data security when transmitting records.

Some agencies working with outsourced providers have opted to request that their records stay within the United States due to concerns about data breaches and that the “regulatory framework overseas is not the same as it is here,” Harder says.

That request will likely mean that you’ll pay more for the service, but you’ll avoid those potential risks, Harder says.

**Ask for information.** Harder suggests requesting “reports about everything [the outsourcer does],” such as which claims get returned to provider (RTPd) and how they handle their billing.

Additionally, you’ll want “to see evidence of efficiency, accuracy, turnaround,” Harder says. How quickly a record can be coded and completed is of critical importance.

Not having all OASIS data points, including the coding elements, completed and submitted within the required window of time could lead to losing a portion of your billing period, Harder says.

Consider that missing payment on the first five days of the episode amounts to about a 20% reduction in reimbursement, Harder warns.

When evaluating an outsourced coding company, Harder suggests asking whether they can turn around records within 24 to 48 hours.

Lastly, request references from the outsourced coding company and evidence that the coders are regularly achieving a 98% accuracy rate, Harder says. Experienced coders should be able to code with 98% accuracy, she says.

**Make a purchase decision based on value, not necessarily on price.** Your focus should be on what you’re getting for your dollar, not just the dollar amount itself. Price is a part of the decision, but it should not be the only factor, Northcutt says. Rather, focus on value.

While many agencies are belt tightening right now, “don’t belt tighten in the wrong place,” Northcutt warns.

Things to consider when deciding which outsource provider include:

- Quality and accuracy of the coding

- Level of one-on-one attention and availability
- Professional resources provided to coders
- Ongoing training for coders

**Ask for a trial run.** Before hiring a particular company, ask to have a probationary period to try out the company's services. "Any outsourcing company worth their salt would allow a trial run," Noyce says.

#### Section 4: The Guidance Coders Need to Know, and How to Apply It

**Start with sources of official guidance.** There are two sources of coding guidance that are considered official—the ICD-10-CM Official Guidelines for Coding and Reporting (generally referred to as just "the guidelines") and quarterly guidance issued by the American Hospital Association's *Coding Clinic*. The guidance issued by these sources is considered binding.

Coding guidelines are publicly available and can be downloaded from either the Centers for Medicare & Medicaid Services' (CMS's) or the Centers for Disease Control and Prevention's (CDC's) website. Each year's guidelines take effect on October 1. So, the guidelines for FY2020 took effect on October 1, 2019.

Updated guidelines are generally released in mid to late August every year. A copy of the current FY2020 guidelines can be found at <https://www.cms.gov/Medicare/Coding/ICD10/Downloads/2020-Coding-Guidelines.pdf>. Never rely on an outdated set of guidelines. Always ensure you are working from the most current version.

Quarterly *Coding Clinic* updates are not publicly available; you must purchase a subscription to the content. For more information about subscribing to the *Coding Clinic*, visit <https://www.codingclinicadvisor.com/subscriptions>.

Most of the guidance issued in the *Coding Clinic* comes in the form of answers provided in response to questions sent in from coders across the health care system. Interpreting the guidance correctly involves properly understanding the context underlying both the question and the answer.

Keep in mind that the *Coding Clinic* answers questions and issues guidance from all health care settings, not just home health, so, at times, the guidance won't be relevant. The organization also issues guidance on procedure coding, which is not used in home health.

If you're not able to purchase a subscription to the *Coding Clinic*, a viable alternative may be to subscribe to an industry newsletter, such as DecisionHealth's *Diagnosis Coding Pro for Home Health*, which follows the updates and reports on the ones relevant to home health. For more information about

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subscribing to *Diagnosis Coding Pro*, visit <https://store.decisionhealth.com/diagnosis-coding-pro-for-home-health>.

**Know how other sources of coding guidance fit in.** There are two other sources of coding guidance—Chapter 3 of the OASIS Guidance Manual and CMS’ OASIS Q&As. However, these two sources are not considered official, and do not rise to the level of binding guidance. They should be viewed as important considerations for your coding decisions, but not hard-and-fast rules.

You can download the OASIS Guidance Manual and any related errata or updates from this website: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HomeHealthQualityInits/HHQIOASISUserManual>. Additionally, the latest OASIS Q&As can be found at <https://qtso.cms.gov/reference-and-manuals/oasis-quarterly-q>.

**Understand how to read and interpret the coding guidelines.** A successful coder needs to have a solid command of the coding guidelines. This requires having a keen understanding of how each section works together and with each other.

There are four main sections to the guidelines, plus an appendix, and the entire document is 121 pages long. Home health coders will find the majority of the guidance they’ll use on a day-to-day basis in Section I, which covers conventions, general coding guidelines and chapter-specific guidelines.

Within Section I, it’s important for coders to know that each part of this section is weighted differently. This means that coding conventions, which make up subsection A of Section I, supersede both general coding guidelines (subsection B) and chapter-specific guidelines (subsection C).

So, if a directive listed in subsection B (general coding guidelines) is contradicted by a directive in subsection A (coding conventions), the directive in subsection A is what the coder should follow.

**For example:** Coding for a sequela condition is discussed in the general coding guidelines. The general coding guidelines instruct the coder that properly coding a sequela condition will usually require two codes—one for the condition being seen right now, and one for the condition that led to the sequela that is being treated right now.

However, some sequela conditions are coded within the ICD-10-CM code set as etiology/manifestation pairs—with the etiology being the underlying disease and the manifestation being the condition caused by the underlying disease. These types of coding pairs come with specific sequencing instructions.



The area of the guidelines covering etiology/manifestation pairs is found in subsection A, or coding conventions, which always supersede guidelines. The coder must know to discard the general coding guidelines and instead follow the information in the conventions governing the use of etiology/manifestation pairs when coding a sequela condition involving an etiology/manifestation pair.

A coder who doesn't know how to resolve apparent contradictions within the guidelines will either struggle with which directive to follow, or will risk assigning codes for a sequela condition in the wrong order, which could come with varying consequences that could include having the claim sent back without payment.

In addition, a coder must know how the conventions and guidelines interact with the rest of the ICD-10-CM code set, which includes the alphabetic index, the neoplasm table, the table of drugs and chemicals, the index of external causes and the tabular section.

**For example:** Instructions within the tabular section, which can include notations telling the coder to use an additional code along with the code they are looking up, or to first assign a different code before they use the code in front of them, are considered conventions and they also supersede the general guidelines and the chapter-specific guidelines.

All-in-all, coding is like learning a new language. The conventions and guidelines act like the rules of grammar—they give you the framework you need to decide which codes to choose, and the order in which to place them.

And just like proper grammar is second nature for a fluent speaker of a language, excellent coders must become so familiar with the ICD-10 conventions and guidelines that applying these rules becomes routine. This will enable a coder to not only code more accurately, but also more efficiently—a key skill in a competitive environment.

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