

POA Coding Requirements Create a Chilling Effect for Hospitals

by Kathy Johnson, RHIA

The chill felt throughout Inpatient Prospective Payment System (IPPS) hospitals has little to do with the change of season. As of October 1, 2008, IPPS hospitals became at risk to have Medicare payments reduced or denied as a consequence of CMS instituted present on admission (POA) guidelines.

The bottom-line impact of POA coding has stirred organization-wide discussions to bring administrators, physicians, clinicians, and compliance professionals in line with guidelines.

Background

POA indicators were developed as part of the Deficit Reduction Act of 2005 to differentiate between conditions POA and those acquired during an inpatient admission.

On the surface, the change may simply seem to be a data reporting or billing issue. Yet, the potential loss of Medicare dollars along with additional compliance demands has left health care providers with a collective headache.

On October 1, 2007, CMS mandated IPPS hospitals to begin reporting POA for all inpatient admissions. The POA guidelines identify eight hospital-acquired conditions that will not receive reimbursement, including:

- serious preventable events such as an object left in surgery, air embolism, and blood incompatibility;
- difficult to control conditions such as catheter-associated urinary tract infections, pressure ulcers, vascular catheter-associated infection, surgical site infection (mediastinitis after coronary artery bypass graft (CABG) surgery);
- hospital-acquired injuries—fractures, dislocations, intracranial injury, crushing injury, burn and other unspecified effects of external causes.

Reduced reimbursement in the form of a lower-paying diagnosis-related group (DRG) for one of the selected hospital-acquired conditions will occur only when the selected conditions are the only major complications and comorbidities (MCCs) or complications and comorbidities (CCs) present on the claim. If the patient has other secondary diagnoses that are an MCC or CC, the case will continue to be assigned to the higher-paying MCC or CC DRG and there will be no savings to Medicare from that case.

Of the eight conditions, those resulting from hospital negligence, such as serious preventable events and hospital-acquired injuries won't earn the provider reimbursement.

Others such as catheter-associated urinary tract infections and pressure ulcers are more difficult to assess and may not always be the liability of the provider. For these conditions, accurate POA reporting becomes crucial to ensure appropriate payment. Physicians and other clinicians need to be attentive in identifying these conditions as POA and communicating to coders.

Documentation Concerns

What happens if a coder doesn't know if a condition was POA? Resolving this confusion is critical for accuracy and proper reimbursement. The CMS guidelines provide the following reporting definitions including the designation of "U" for all unknown conditions.

- Y = present at the time of inpatient admission;
- N = not present at the time of inpatient admission;
- U = documentation is insufficient to determine whether the condition is POA; and
- W = provider is unable to clinically determine whether the condition was POA.

Add to this list another option—if the condition is on the list of diagnoses exempt from reporting, then the field for reporting POA indicators is to be left blank.

Examples of documentation that might be used to determine POA assignment include emergency department notes, history and physical examination, and progress and admitting notes. Other documentation that can be helpful includes:

- conditions present and diagnosed prior to admission;
- conditions diagnosed as existing during the admission process and, therefore, present before admission;
- any suspected, possible, probable or to-be-ruled-out conditions;
- differential diagnoses;
- underlying causes of any sign or symptoms present on admission;
- specific identification of acute or chronic status of any condition; and
- external causes (the "how" and "where") of any injury or poisoning in the physician's notes.

An Organization-Wide Approach

POA creates numerous pitfalls. Successful compliance requires organization-wide communication, training, and physician commitment.

Communication

POA compliance elevates the need for legal and compliance professionals to initiate organization-wide discussions with hospital administrators, coders, auditors, nurses and other clinicians, and physicians. Separately, these groups seem to speak different languages; collectively they share the same organizational goals of quality patient care and a fiscally healthy organization.

Hospitals should look for natural opportunities to bring these groups together, such as medical and nursing staff meetings, the hospital's physician newsletter and one-on-one education through the ongoing query process. Bringing these key stakeholders together for regular POA discussions improves overall compliance and forges better work relationships.

Training

Training is one area in which organizational leadership can directly impact POA compliance. Adequate training and guidance is crucial for success in the new POA coding environment. At the same time, coders must be diligent to keep current on coding changes and improve their skill sets.

POA compliance training opportunities can range from informal lunch-and-learns to more structured in-service and other formal trainings. In addition, coders should:

- become proactive in spotting and addressing potential coding issues later;
- read the notices published by participating insurance companies and stay aware of the flags they provide regarding code changes or documentation requirements;
- regularly review trade journals;
- visit the Medicare Web site; and
- participate in available internal and external training (many are offered by coding and compliance associations).

Physician Commitment

Physician documentation is the most efficient and most reliable source for accurate POA information. Therefore, it is crucial compliance staff provides the appropriate oversight to guarantee physicians recognize their reporting expectations.

Start by educating physicians on POA nuance that often lead to improper coding. For example, responsibilities for coders and physicians differ between Medicare severity-adjusted diagnosis related group (MSDRG) and POA documentation. While MSDRGs don't allow coders to look at diagnostics (lab results, for example) and draw logical conclusions (the physician must be the one to list diagnoses in the medical chart), POA allows coders to connect those dots and indicate the condition.

Simply making physicians aware of this difference can prevent compliance and related reimbursement headaches for hospitals and health networks. Other suggestions include inviting physicians to monthly coding workshops to review new clinical topics and discuss the coding involved, assigning an education liaison with each medical staff department for coder education, and placing articles in the hospital's physician newsletter.

Queries as Opportunities

Most physicians have established habits for documenting their notes on patient encounters. But, POA reporting is new to physicians and to ensure compliance, physicians need to adjust their reporting habits. Compliance can take the lead by providing physicians with necessary education to assign correct POA indicators.

When coding professionals discover inconsistent, missing, conflicting or unclear documentation, they must query the provider. Physicians then must resolve the data deficiency themselves.

Querying is an important part of the learning process for physicians. It provides physicians with opportunities to better understand their role, as well as the coder's, in POA compliance. Queries also can serve to build stronger relationships between physicians and coders.

To make documentation a more joint effort, hospitals have instituted clinical documentation improvement programs and the use of documentation specialists to review documentation concurrently during the course of care being delivered. These efforts allow for effective feedback to the provider and supports timely documentation. In addition, concurrent queries are received better by the providers rather than a retrospective query.

Hospitals can further enhance this relationship by encouraging physicians to be available to coders and analysts to regularly review POA documentation. A concerted effort to involve physicians in the POA process will lead to improved physician and coder relationships, decrease queries over time, and ultimately achieve better POA compliance and proper Medicare reimbursement. Without physician involvement, organizations can expect ongoing POA compliance issues.

Risks

The risk of fraud exists whenever reimbursement is involved. Although hospitals place numerous safeguards against fraudulent practices, they can and do occur.

Potential areas of concern are altering or under documenting POA reports. Besides internal quality and risk assurance programs, organization-wide efforts to communicate and train staff serve as a natural safeguard against POA fraud.

Hospitals further reduce their vulnerability to fraud by conducting a self-audit. Self-audits spot reporting problems or discrepancies and allow staff to quickly address and correct any discrepancies identified. It also identifies what areas of POA reporting are being done well. Used appropriately,

a self-audit serves as a valuable educational tool and provides greater business transparency.

The HIM Role

In successful organizations, Health Information Management (HIM) teams play a significant role in assisting the organization to maintain POA compliance. Hospital legal and compliance teams need to take the lead to maintain POA awareness and help HIM teams serve as change leaders within the organization.

The following are actionable examples HIM professionals can positively affect POA compliance:

- continue to increase familiarity with POA indicator assignment;
- monitor medical record documentation practices;
- assess the impact of the new indicator;
- educate data users (e.g., case management, quality, data analysis);
- conduct internal reviews to determine appropriate selection of POA indicators based on documentation and guidelines
- train new staff and contract coders on the POA requirements, including the collection of the POA within the system;
- work with the facility finance area to evaluate potential future reimbursement impact;
- work with the quality department to understand the data being collected;
- continue to monitor operational impact and potential areas for improvement within the HIM and coding processes; and
- continue to work with physicians on accurate and complete documentation.

Keeping key organizational stakeholders aware of POA issues, including updates and regular and successful reimbursement documentation, will ensure ongoing POA compliance and proper reimbursements.

Challenges Post POA

The original year-long grace period for IPPS hospitals to implement new POA reporting requirements has ended. How well hospitals have prepared their coding staff and physicians will soon be reflected in their bottom lines.

Failure to accurately document POA could result in hospitals receiving lower Medicare reimbursements. Yet, many confusing and gray areas exist within the POA guidelines that demand a continued focus on POA education to maintain compliance and ensure proper reimbursements.

Hospitals and HIM professionals need to offer ongoing POA training opportunities for both coding professionals and providers. This effort requires support from legal and compliance experts to make POA training a priority. A commitment to POA training will provide organizations with appropriate reimbursements, reduced queries, and improved physician/coder relationships, far outweighing any training costs incurred.

In addition to adjusting to the new requirements, hospitals will be further challenged by a continuing shortage of qualified and experienced professional coders. Therefore, it is crucial for administrators to handle these requirements smoothly and proactively and continue to monitor and track the impact of POA documentation reports, as well as the operational impact to ensure compliance. ■

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