



An Informational Bulletin Brought To You By Polaris Group

Priority Order of Quality Indicator Survey (QIS)

The Centers for Medicare & Medicaid Services (CMS) is implementing the QIS nationally. To date, the implementation of the QIS includes 11 states: Connecticut, Kansas, Ohio, Louisiana, Florida, Minnesota, North Carolina, New Mexico, West Virginia, Maryland, and Washington. The State of Connecticut has fully implemented the QIS and the other ten States are in various stages of QIS training and implementation. Training in the QIS starts this summer in Delaware, Maine and Vermont and QIS training is scheduled to begin in Georgia and Arizona early this winter.

As the funds CMS receives to support QIS training could fluctuate, the number of new States trained in each contract period could vary accordingly. There are six implementation bands at this time. For band 1, CMS is beginning QIS training in Delaware, Maine, and Vermont in summer 2009; QIS training in Georgia and Arizona is scheduled to begin in early winter of 2010. Training for States in band two can be expected to begin in late 2010 or early 2011.

Priority Order of States for QIS Implementation

Band One

1. Delaware
2. Maine
3. Vermont
4. Georgia
5. Arizona

Band Three

1. Iowa
2. New Jersey
3. Arkansas
4. Hawaii
5. South Carolina
6. Tennessee
7. Oklahoma

Band Two

1. Colorado
2. Nebraska
3. District of Columbia
4. Indiana
5. Oregon
6. Utah
7. New York

Band Four

1. Texas
2. Rhode Island
3. Wisconsin
4. Missouri
5. New Hampshire
6. Kentucky
7. Mississippi
8. North Dakota

Band Five

1. Wyoming
2. Alabama
3. Massachusetts
4. Illinois
5. Idaho
6. Virginia
7. California
8. Alaska

Band Six

1. Pennsylvania
2. Michigan
3. South Dakota
4. Puerto Rico
5. Virgin Islands
6. Montana
7. Nevada

FTC Again Postpones Enforcement of Red Flags Rule

On July 29, 2009, the Federal Trade Commission (FTC) announced another delay in the enforcement date of the so-called "Red Flags Rule" (the Rule). The FTC indicated that enforcement of the Rule is now postponed until **November 1, 2009**. The Rule was originally scheduled to be enforced on November 1, 2008, but the enforcement date was postponed to May 1, 2009, and then until August 1, 2009. **The new delay will give creditors who are subject to the Rule an additional three months to come into compliance.** It also leaves open the possibility that new legislation or changes in the Rule will narrow its scope or reduce the burdens of compliance.

The most recent delay in the Rule's enforcement date followed reports that the American Bar Association (ABA) and other groups are continuing to press the FTC and the U.S. Congress to exempt their constituencies. The House Appropriations Committee also asked the FTC to defer enforcement and to make additional efforts to minimize the burdens of the rule on health care providers and small businesses with a low risk of identity theft problems.



The Rule requires "creditors," defined as any entity that regularly extends or renews credit, to develop and implement written identity theft programs. The FTC interprets the Rule as applicable to all entities that regularly permit deferred payment for goods or services, which includes most health care providers as well as lawyers and other service providers. **The American Medical Association and other provider groups, along with the ABA and representatives of other industries, have asserted that Congress did not intend the legislation giving rise to the Rule, the Fair and Accurate Credit Transactions Act of 2003, to be construed so broadly. These groups have lobbied the FTC and Congress to either create exemptions or to narrow the definition of "creditor" so that they would not be covered.**

In its press release announcing the postponement, the FTC also stated that it "will redouble its efforts to educate" small businesses and other entities "about compliance with the Red Flags Rule and ease compliance by providing additional resources and guidance to clarify whether businesses are covered by the Rule and what they must do to comply." The FTC has established a Web site, www.ftc.gov/redflagsrule, with resources designed to help entities determine if they are covered and, if so, assist them in complying with the Rule. The Web site includes an online compliance template that enables companies that are at low risk for identity theft to design their own written identity theft programs through an easy-to-use form. The Web site also includes articles directed to specific businesses, **"The "Red Flags" Rule: what health care providers need to know about complying with new requirements for fighting identity theft"**, including health care providers, a guidance manual, and frequently asked questions (FAQs) to help companies navigate the rule. The FAQs indicate that FTC staff would be unlikely to recommend bringing a law enforcement action against entities that know their customers as clients individually, or operate in sectors of the economy where identity theft is rare and which have not themselves been the target of identity theft.

CMS Announces Payment Rates for Medicare Skilled Nursing Facilities in Fiscal Year 2010

CASE-MIX ADJUSTMENT RECALIBRATED

The Centers for Medicare & Medicaid Services (CMS) announced adjustments to fiscal year (FY) 2010 payment rates to better reflect the cost of caring for Medicare beneficiaries in nursing homes.

The final rule calls for payments to Medicare skilled nursing facilities to be reduced by \$360 million, or 1.1 percent lower than payments for FY 2009. This adjustment to nursing facility payments is an effort to rebalance an earlier adjustment to the case-mix indexes (CMIs) and better align Medicare payments with costs.

The FY 2010 recalibration of the CMIs results in a reduction in payments to nursing homes of \$1.050 billion, or 3.3 percent. However, this decrease would be largely offset by this fiscal year's update to Medicare payments to skilled nursing facilities. The update—an increase of 2.2 percent or \$690 million for FY 2010—is based on the change in prices of a "market basket" of goods and services included in covered skilled nursing facility stays. The percentage increase in the market basket is used to compute the update factor annually. The combination of the market basket increase and the recalibration of the CMIs yields the 1.1 percent reduction.

For further information, see www.cms.hhs.gov/center/snf.asp. A copy of the final rule is available on the CMS Web site at: www.federalregister.gov/OFRUpload/OFRData/2009-18662.PI.pdf.





2008 Skilled Nursing Facility's Top 10 Survey Deficiencies Nationally

- #1 F323. Facility is free of accident hazards
- #2 F309. Provide necessary care for highest practicable well-being
- #3 F371. Store/prepare/distribute food under sanitary conditions
- #4 F281. Professional standards
- #5 F279. Develop comprehensive care plan
- #6 F514. Clinical records meet professional standards
- #7 F314. Proper treatment to prevent/heal pressure ulcers
- #8 F253. Housekeeping and Maintenance Services
- #9 F329. Drug regimen is free from unnecessary drugs
- #10 F315. Avoidable catheterization

Q & A
“Where No Question Goes Unanswered!”

Q: Is there a formula available that allows for conversion of per minute pricing to per diem pricing for therapy services?
A: To convert per minute to per diem, take per minute rate and multiply it by the required number of minutes for that RUG (i.e. 729, 500, 325), then divide by 7 (days in a week) to get the per diem.

TELECONFERENCE TRAININGS

Polaris Group is pleased to offer the following **CEU approved** live teleconferences

<u>Topic</u>	<u>Date</u>
MDS 3.0 Introduction	8/27
Medicare Nursing Documentation	8/27
Survey Process, Preparation & Management	9/2
SNF PPS for FY2010 & 2011	9/3
Writing a Plan of Correction	9/9
MDS 3.0—Now and Future	9/10
RAC Audits: Do's and Don'ts!	9/24
<u>Medicare Billing Part A & B</u>	
Part I: Billing Cycle	9/15
Part II: UB04	9/22
Part III: The “In’s and Out’s”	9/29
Part IV: Consolidated Billing	10/8

Please join us!
For further information, please contact the Seminar Department at: 800-275-6252 ext. 233 or register online at: www.polaris-group.com



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