IMPLEMENTATION OF MDS 3.0

After months of anticipation and preparation, the MDS 3.0 went into effect October 1, 2010. Skilled Nursing Facilities (SNFs) across the nation are facing the challenges of adapting to this new assessment tool. This is one of the largest operational changes in nursing homes since the beginning of the prospective payment system.

Among the changes that will stem from MDS 3.0 is the introduction of resident interviews to the assessment process. The new system also changes the payment system for Medicare Part A therapy. Only one-half of concurrent therapy minutes will count toward RUG-IV 66 classification. MDS 3.0 also replaces Resident Assessment Protocols (RAPs) with Care Area Assessments (CAAs).

OIG RELEASES 2011 WORK PLAN

The Office of Inspector General (OIG) released their 2011 Work Plan, which outlines the activities the OIG plans to begin or continue next year regarding the programs and operations of the Department of Health & Human Services.

According to the 2011 Work Plan, the OIG will be looking at the following issues in nursing homes:

- Medicare Part A payments to skilled nursing facilities
- Medicare requirements for quality of care in skilled nursing facilities
- Assessment and monitoring of nursing home residents receiving atypical antipsychotic drugs
- Oversight of poorly performing nursing homes
- Hospitalizations of nursing home residents
- Nursing home emergency preparedness and evacuations during selected natural disasters
- Criminal background checks for nursing facility employees
- Program for National and State background checks for long-term care employees
- Medicare Part B services during non-Part A nursing home stays
- Hospice utilization in nursing facilities

For additional information, please visit our website at: http://www.polaris-group.com/news_releases.asp

CMS RELEASES REVISED SOM APPENDIX PP

CMS released revisions to Appendix PP of the State Operations Manual (SOM), which provides guidance to surveyors for long-term care facilities. The revisions included modifications of the interpretive guidelines throughout Appendix PP to remove references to the MDS 2.0 and the Resident Assessment Protocols, and replace them with the MDS 3.0 and the Care Area Assessments (CAAs). The revised Appendix PP includes clarification and additional revisions to the following F-tags:

- F274: Revisions to the criteria for what
CMS PROPOSED RULE WOULD ADD MEDICARE PROVIDER ENROLLMENT REQUIREMENTS

CMS has issued a proposed rule to implement provisions of the Affordable Care Act (ACA) that strengthen provider and supplier screening provisions under the Medicare, Medicaid, and Children's Health Insurance Program (CHIP). The rule is designed to ensure "that only legitimate providers and suppliers are enrolled in Medicare, Medicaid, and CHIP, and that only legitimate claims will be paid." Under the rule, CMS would apply screening tools based on the level of risk associated with different provider and supplier types.

The rule also would authorize CMS and the states to impose moratoria on the enrollment of new providers when it is deemed necessary to protect against a high risk of fraud and authorize the suspension of payments pending an investigation of a credible allegation of fraud.

ADJUSTMENTS TO PROCEDURES FOR SPECIAL FOCUS FACILITIES

On Sept. 17, 2010, the Centers for Medicare and Medicaid Services (CMS) issued a new survey and certification letter announcing adjustment to procedures for the Special Focus Facilities (SFF) program. Effective Oct. 1, 2010, the number of SFF slots will be adjusted to reflect the current population of nursing homes in each state and a 10% increase in SFF slots nationally. The SFF program candidate list will also be adjusted so that each allotted slot will have 5 candidates from which states may recommend selection.

Memorandum Summary

- **Adjustment to Number of Slots:** The number of SFF slots for each State is adjusted to reflect the current population of nursing homes in each State and a ten percent increase in SFF slots nationally.
- **New Computation of the Candidate List** effective in the fall 2010, the candidate list will be adjusted so that each SFF slot will have 5 candidates from which States may recommend selection.
- **Initial Selection Notice** effective spring 2010 there were new procedures for
notifying nursing facilities of their enrollment into the SFF Program.

⇒ Enhanced Survey and Progressive Enforcement—Description of progressive enforcement procedures for SFF.

⇒ Triage and Termination without Significant Improvement—Introduction of the Review Process as a new procedure for SFF.

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Q & A
“Where No Question Goes Unanswered!”

Q: If a Part A resident is admitted with orders for therapy but therapy does not do the evaluation until the next day. However, when the 5 day MDS is performed they achieve a Rehab RUG. Does this MDS need to also be coded as an SOT and will therapy be paid day of admission?

A: Complete just a 5 day MDS, which is a scheduled PPS MDS, so the payment cycle are days 1-14 or through last covered days (so include day of admit). Do not designate as a SOT if the rehab RUG was achieved on the 5 day MDS. There is NO change in how it works if the 5 day MDS achieves a rehab RUG even if the length of stay is short.

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Part A RUG IV & HYBRID RATES

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