



An Informational Bulletin Brought To You By Polaris Group

Office of Inspector General Publishes FY 2017 OIG Work Plan

The office of Inspector General (OIG) Work Plan for Fiscal Year (FY) 2017 provides brief descriptions of activities that the OIG plans to initiate or continue in FY 2017.

The following key items are addressed in the FY 2017 work plan for Nursing Homes.

- **NEW- Nursing Home Complaint Investigation Data Brief**
All Nursing home complaints categorized as immediate jeopardy and actual harm must be investigated within a 2 - and 10-day timeframe, respectively. A 2006 OIG report found that state agencies did not investigate some of the most serious complaints within these required timeframes. The OIG will determine to what extent State agencies investigate the most serious nursing home complaints within the required timeframes. This work will provide an update from their previous review.
- **NEW- Skilled Nursing Facilities- Unreported Incidents of Potential Abuse and Neglect**
SNFs are institutions that provide skilled nursing care, including rehabilitation and various medical and nursing procedures. Ongoing OIG reviews at other settings indicate the potential for unreported instances of abuse and neglect. The OIG will assess the incidence of abuse and neglect of Medicare beneficiaries receiving treatment in SNFs and determine whether these incidents were properly reported and investigated in accordance with applicable Federal and State requirements. The OIG will also interview State officials to determine if each sampled incident was reported, if required, and whether each reportable incident was investigated and subsequently prosecuted by the State, if appropriate.
- **NEW - Skilled Nursing Facility Reimbursement**
Some SNF patients require total assistance with their activities of daily living, and have complex nursing and physical, speech, and occupational therapy needs. SNFs are required to periodically assess their patients using a tool call the Minimum Data Set that helps classify each patient into a resource utilization group for payment. Medicare payment for SNF services varies based on the activities of daily living score and the therapy on the Minimum Data Set. The more care and therapy the patient requires, the higher the Medicare payment. Previous OIG work found that SNFs are billing for higher levels of therapy than were provided or were reasonable or necessary. The OIG will review the documentation at selected SNFs to determine if it meets the requirements for each particular resource utilization group.
- **NEW- Skilled Nursing Facility Adverse Event Screening Tool**
The OIG developed the SNF adverse event trigger tool as part of its study, “Adverse Events in Skilled Nursing Facilities: National Incidence Among Medicare Beneficiaries”, released in February 2014. The tool was developed with assistance from clinicians at the Institute for Healthcare Improvement (IHI), which also published the tool for industry use. This product will describe the purpose, use and benefits of the SNF adverse event trigger tool and the guidance document released by IHI, including the methodology for developing the instrument and the instrument’s use in developing the February 2014 report findings. The product will also describe the contributions of OIG and IHI. The goal of this product is to disseminate practical information about the tool for use by those involved with the skilled nursing industry.
- **REVISED - National Background Checks for Long-Term Care Employees - Mandatory Review**
The Affordable Care Act (ACA) provides grants to States, through CMS, to implement background check programs of prospective long-term care employees and providers. The ACA requires that OIG conduct an evaluation of this grant program, known as the National Background Check Program, after its completion. For states that closed their grants in the preceding year, the OIG will review the procedures States implemented for long-term care facilities and providers to conduct background checks on prospective employees who would have direct access to patients. The OIG will determine the outcomes of the States’ programs and whether the checks led to any unintended consequences.
- **Skilled Nursing Facility Prospective Payment System Requirements**
Medicare requires a beneficiary to be an inpatient of a hospital for at least 3 consecutive days before being discharged from the hospital to be eligible for SNF services. If the beneficiary is subsequently admitted to a SNF, the beneficiary is required to be admitted either within 30 days after discharge from the hospital or within such time as it would be medically appropriate to begin an active course of treatment. Prior OIG reviews found that Medicare



payments for SNF services were not compliant with the requirement of a 3-day inpatient hospital stay within 30 days of a SNF admission. The OIG will review compliance with the SNF prospective payment system requirement related to a 3-day qualifying inpatient hospital stay.

- Potentially Avoidable Hospitalizations of Medicare and Medicaid Eligible Nursing Facility Residents**
 High occurrences of patient transfers from nursing facilities to hospitals for potentially preventable conditions could indicate poor quality of care. Prior OIG work identified a nursing facility with a high rate of Medicaid recipient transfers to hospitals for a urinary tract infection (UTI), a condition that is often preventable and treatable in the nursing facility setting without requiring hospitalization. The audit disclosed that the nursing facility often did not provide UTI prevention and detection services in accordance with its residents' care plans, increasing the residents' risk for infection and hospitalization. The OIG will review nursing homes with high rates of patient transfers to hospitals for potentially preventable conditions and determine whether the nursing homes provided services to residents in accordance with their care plans.

To view the complete 2017 Work Plan go to http://polaris-group.com/news_releases.asp

CMS Publishes CY 2017 Medicare Premiums & Deductibles

The Centers for Medicare and Medicaid Services (CMS) published the Medicare Parts A & B Premiums and Deductibles for Calendar Year (CY) 2017.

Medicare Part A - Inpatient Skilled nursing facility stay

Beneficiary pays:

Coinsurance days 21-100 (per day of each benefit period)

CY 2016 - \$161.00

CY 2017 - \$164.50

Days 101 and beyond: all costs

Hospital inpatient stay

Beneficiary pays:

Deductible for each benefit period

CY 2016 - \$1,288.00

CY 2017 - \$1,316.00

Coinsurance days 61-90 (per day of each benefit period)

CY 2016 - \$322.00

CY 2017 - \$329.00

Lifetime Reserve Days - Coinsurance after day 90 for each benefit period (up to 60 days over your lifetime)

CY 2016 - \$644.00

CY 2017 - \$658.00

Beyond lifetime reserve days: all costs

Medicare Part B - Physician & Outpatient Services

(Therapy services in a SNF)

Deductible

CY 2016 - \$166.00

CY 2017 - \$183.00

Standard Monthly Premium

CY 2016 - \$104.90

CY 2017 - \$109.00

Beneficiary not subject to the "hold harmless" provisions:

CY 2016 - \$121.80

CY 2017 - \$134.00

To view the complete Medicare Part A & B Premiums and Deductibles go to http://polaris-group.com/news_releases.asp

CMS Releases CY 2017 Physician Fee Schedule Final Rule

On November 2, 2016, the Centers for Medicare & Medicaid Services (CMS) issued a final rule updating payment policies, payment rates, and quality provisions for services furnished under the Medicare Physician Fee Schedule (PFS) on or after January 1, 2017. This is the same schedule used to pay for Part B therapy services in nursing facilities. This final rule sets the therapy cap amount on outpatient therapy services; updates the payment amount for physician, physical therapist, and other health care professionals; and revises other payment policies.

CMS finalized mis-valued code changes that achieve a 0.33 percent in net expenditure reductions. These changes would not meet the mis-valued code target of 0.5 percent, setting the 2017 PFS conversion factor at \$35.89, a slight increase from the 2016 conversion factor of \$35.80.

Summary of key items for Part B therapy services in nursing facilities;

Therapy cap increase to \$1980

The Final rule set the therapy cap amount on outpatient therapy services for CY 2017 at \$1,980 for occupational therapy and \$1,980 for physical therapy and speech therapy combined. (The therapy cap exceptions process was extended through December 31, 2017, under MACRA.)

Tiered evaluation codes

CMS adopted much of the system created by the American Medical Association (AMA) CPT Editorial Panel to retool current procedural terminology (CPT) codes for physical therapy evaluation and reevaluation. The new evaluation code descriptors stratify evaluations by complexity—low (97161), moderate (97162), and high (97163), CMS will keep the longstanding relative value unit (RVU) of 1.20 for all 3 levels of evaluation. These codes replace the existing 97001 and 97002 codes, which will expire on January 1, 2017, when the new codes are implemented.



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Increase payment for reevaluation code

The rule also includes 1 new reevaluation code (97164). In the proposed rule, this code carried a reevaluation rate of .60, same as for the old reevaluation code. In the final rule, that rate was increased to 0.75.

Ten physical therapy codes potentially mis-valued

In the 2016 physician fee schedule, CMS identified multiple potentially mis-valued codes, including some commonly used in physical therapy, for review and potential revaluation. CMS has confirmed that all 10 physical therapy-related CPT codes that it identified as potentially mis-valued will be revalued in the 2018 fee schedule.

To view the complete 2017 Physician Fee Schedule Final Rule go to http://polaris-group.com/news_releases.asp

**Polaris Group Solution Center
Hotline Q&A
“Where No Question Goes Unanswered!”**

Question:

We had a resident that was on Medicare Part A and died while on Medicare Part A. Do I need to do the Stand-alone PPS MDS?

Answer:

No. The RAI Manual says: If the End Date of Most Recent Medicare Stay (A2400C) occurs on the same day that the resident dies, a Death in Facility Tracking Record is completed, with the Discharge Date (A2000) equal to the date the resident died. In this case, a Part A PPS Discharge assessment is not required.

Question:

We have a resident who has gone through the 1st and 2nd level of the appeal process and now is in the 3rd level. Do we need to keep them skilled in our system which means that we can't bill the patient until the appeal process is exhausted? Also, if we bill the resident and then they win at any level of appeal what do we need to do?

Answer:

No. Once the decision is made at the 2nd level of the appeal process then the resident can be billed if the appeals have ruled in favor of the facility's decision to discharge off Medicare Part A. If you have billed the resident, and at any appeal level they have ruled in favor of the resident, then you would have to pay the money back to the resident and bill Medicare.



2016 WEBINAR TRAININGS
Polaris Group is pleased to offer the following **CEU approved** live Webinars

	<u>Date</u>
Section GG Training Section GG Coding Tips	12/1
Final Regulations Impacting LTC Training Overview of Final Regulations Impacting LTC <i>*New Topic</i>	12/5
ICD-10 Coding Tips Training ICD-10 Coding Tips	12/7
Managed Risk Training Managed Risk/Event Reporting	12/8
ADRs Training Series Additional Development Requests & Appeals - Part 1	12/13
Responding to Denials & Appeals - Part 2	12/14
Systems to Prevent ADRs in the First Place - Part 3	12/15

Please join us!
For further information, please contact the Webinar
Department at: 800-275-6252 ext. 250
or register online at: www.polaris-group.com



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Training Workshops for LTC
Current 2017 Dates & Locations:

Medicare & PPS Compliance for SNFs

May 16-18 Orlando, FL
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SNF Billing - Basics & More

March 21-23 Las Vegas, NV
June 13-15 Chicago, IL
September 19-21 Orlando, FL

Surviving MAC/RAC/ZPIC Audits

February 8-9 Las Vegas, NV
November 8-9 Orlando, FL

Advanced Billing for SNFs

April 18-20 Dallas, TX
August 22-24 Las Vegas, NV
November 14-16 Tampa, FL

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