



An Informational Bulletin Brought To You By Polaris Group

Fiscal Year 2017 SNF PPS Proposed Rule

The Centers for Medicare & Medicaid Services (CMS) released the Skilled Nursing Facilities proposed rule on April 21, 2016, which outlines Medicare payment rates and policy changes for Fiscal Year (FY) 2017. CMS proposes a positive payment update of 2.1% for skilled nursing facilities (SNFs). The rule proposes requiring nursing homes to report four new quality and resource use measures, in accordance with The Improving Medicare Post-Acute Care Transformation Act of 2014 (IMPACT Act). It also includes the creation of a measure for the SNF Value-Based Purchasing Program (SNF VBP) and additional proposals related to the SNF VBP requirements as required by the Protecting Access to Medicare Act (PAMA). Below is a summary of the major payment and policy changes for SNFs in the FY 2017 proposed rule.

Changes to Payment Rates under the SNF PPS

CMS proposes a 2.1% positive payment update which is an expected increase in FY 2017 of \$800 million from payments in FY 2016. This estimated increase is attributable to a 2.6 percent market basket increase reduced by 0.5 percentage points in accordance with the multifactor productivity adjustment required by law.

SNF Quality Reporting Program

The IMPACT Act of 2014 requires the implementation of a SNF quality reporting program (QRP) for SNFs beginning with FY 2018. SNFs that do not submit required quality data to CMS under the QRP will be subject to a 2.0 percentage point reduction to their annual updates.

The IMPACT Act requires the continued specification of quality measures for the SNF QRP, as well as resource use and other measures. In order to satisfy the requirements of the IMPACT Act, CMS is proposing one new assessment-based quality measure, and three claims-based measures for inclusion in the SNF QRP for a total of 4 measures as required by the IMPACT Act.

The claims-based measures for the FY 2018 payment determination and subsequent years include the following: discharge to community; Medicare spending per beneficiary (MSPB); and a potentially preventable 30-day post-discharge readmission measure for SNFs. The assessment-based measure for the FY 2020 payment determination and subsequent years is the drug regimen review, conducted with follow-up for identified issues.

According to CMS, these measures also align with the measures proposed for inclusion in the Long Term Care Hospitals (LTCH) QRP and the Inpatient Rehabilitation (IRF) QRP.

CMS also proposes to use a Calendar Year (CY) schedule for measure and data submission requirements that includes a period for provider review and correction, with quarterly deadlines following each quarter of data submission beginning with data reporting for the FY 2019 payment determinations.

The IMPACT Act requires that procedures for public reporting of quality and resource use and other measures include a process consistent with the Hospital Inpatient Quality Reporting (IQR) review and correction processes. CMS proposes the following for public display of quality measure data for the SNF QRP, including review and correction periods, and the pre-and public reporting preview period:

- Align the SNF QRP quarterly reporting timeframes and quarterly review and correction periods for assessment-based measures with the approach followed in the IQR;
- Align processes related to the review and correction of claims based measures with the approach followed in the IQR; and
- Apply a 30-day preview period prior to publishing SNF quality data during which corrections to data cannot be made, but SNFs may ask for a correction to their measure calculations.



SNF Value-Based Purchasing Program

The SNF Value-Based Purchasing Program, which starts in FY 2019, will reward SNF facilities with incentive payments for the quality care they provide. Starting in the summer of 2016 and then quarterly, SNF's will receive confidential quality feedback reports on their measure performance. Also, starting in October 2016, CMS will post skilled nursing home performance on Nursing Home Compare.

The proposed rule specifies the SNF 30-Day Potentially Preventable Readmission Measure, (SNFPPR), as the all-cause, all-condition risk-adjusted potentially preventable hospital readmission measure to meet the requirements of section 1888(g)(2) of the Social Security Act. CMS is seeking public comment on additional proposals related to the SNF VBP requirements including:

- Establishing performance standards;
- Establishing baseline and performance periods;
- Adopting a performance scoring methodology; and
- Developing confidential feedback reports.

The proposed rule will appear in the *Federal Register* on April 25, 2016, CMS will accept public comments until June 20, 2016

Q4 FY 2015 Release of Skilled Nursing Facility PEPPER Report

The Q4 FY 2015 release of the Skilled Nursing Facility (SNF) Program for Evaluating Payment Patterns Electronic Report (PEPPER), with statistics through September 2015 is now available for download through the [PEPPER Resources Portal](#). ***Revised in this release: The Therapy RUGs' target area has been discontinued.*** PEPPER is an educational tool that summarizes provider-specific data statistics for Medicare services that may be at risk for improper payments. Providers can use the data to support internal auditing and monitoring activities.

To obtain your SNF's PEPPER, the Chief Executive Officer, President, Administrator or Compliance Officer of your organization should:

1. Review the [Secure PEPPER Access Guide](#).
2. Review the instructions and obtain the information required to authenticate access. Note: A new validation code will be required. A patient control

number or medical record number from a claim for a traditional Medicare FFS beneficiary with a "from" or "through" date in September 1-30, 2015 will be required.

3. Visit the [PEPPER Resources Portal](#).
4. Complete all the fields.
5. Download your PEPPER.

The SNF PEPPER will be available to download for approximately two years.

CDC Releases New ICD-10 Diagnosis Codes

The Centers for Disease Control and Prevention released nearly 1,900 new diagnosis codes to be added to the ICD-10 system. The codes, which includes entries for conditions related to diabetes, mental health disorders, eye diseases and lower joint issues, will be added to the ICD-10 system in fiscal year 2017. In addition to the new diagnosis codes, more than 3,600 inpatient procedure codes will be added. The new codes will be implemented on October 1, 2016. The updated codes mark the end of a partial freeze on updates to the diagnosis codes prior to the ICD-10 implementation on October 1, 2015. The transition from ICD-9 to ICD-10 added roughly 68,00 new codes to the previous 13,000 billing codes.

Five Star Preview Reports Available

The Five Star Preview Reports were available on April 20th. To access these reports, select the CASPER Reporting link located on the CMS QIES Systems for Providers page. Once in the CASPER Reporting system, select the 'Folders' button and access the Five Star Report in your 'st LTC facid' folder, where st is the 2-character postal code of the state in which your facility is located and facid is the state-assigned Facility ID of your facility. Nursing Home Compare will update with March's Five Star data on April 27, 2016. Important Note: The 5 Star Help line (800-839-9290) will be available from April 25, 2016 through April 29, 2016. Provider preview reports will continue to be available on a monthly basis in advance of public posting and will include the dates and hours of helpline availability.



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

Question:

When you have a resident that is in and out of the facility, they have discharged return anticipated and have returned within 30 days but no OBRA Admission assessment was completed how do you code A1700?

Answer:

You would code it as a re-entry. CMS clarified this so the RAI says: Reentry refers to the situation when all three of the following occurred prior to this entry: the resident was previously in this facility and was discharged return anticipated and returned within 30 days of discharge. Upon the resident’s return to the facility, the facility is required to complete an Entry tracking record.

Question:

I have a resident who was admitted to our facility that we gave the influenza vaccine. On each of the MDSs do we continue to record yes under O0250A until the next flu season?

Answer:

Yes. The RAI says “Once the influenza vaccination has been administered to a resident for the current influenza season, this value is carried forward until the new influenza season begins.



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

	<u>Date</u>
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Pressure Ulcer Program	May 13
Bowel & Bladder Management	May 24
<u>PEPPER Reports Training</u>	
Using the New PEPPER to Support Auditing & Monitoring Efforts	May 16
<u>Denial Notices Training</u>	
Denial Letters & Expedited Review Notices for LTC	May 17
<u>Quality Measures Training</u>	
All About Quality Measures	May 18
<u>RAC Audit Training</u>	
RAC Audits—DO’s & Don’ts	May 19
<u>QAPI to Decrease Hospital Transfers Training</u>	
Using QAPI to Decrease Hospital Transfers	May 23
<u>Proposed Regulations for SNFs</u>	
Overview of Proposed Regulations Impacting LTC	May 26

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



Comprehensive 3-day training workshops to implement a compliant and successful Medicare program

Training Workshops for LTC
Current 2016 Dates & Locations:

<u>Medicare & PPS Compliance for SNFs</u> May 17-19 Philadelphia, PA October 11-13 Las Vegas, NV	<u>SNF Billing Training—Basics & More</u> July 12-14 Raleigh, NC September 13-15 San Antonio, TX
<u>Advanced Billing for SNFs</u> August 16-18 Las Vegas, NV November 15-17 Orlando, FL	<u>Surviving MAC, RAC & ZPIC Audits</u> October 5-6 Las Vegas, NV

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