



POLARIS PULSE®

A Bi-monthly Informational Bulletin Brought To You By Polaris Group

CMS Proposes SNF Payment Increase for Fiscal Year 2008

The Centers for Medicare and Medicaid Services (CMS) published the 2008 Skilled Nursing Facility Prospective Payment System (SNF PPS) Proposed Rule in the May 4, 2007 Federal Register. This proposed rule would:

- Revise and rebase the SNF market basket.
- Modify the threshold for the adjustment to account for market basket forecast error.
- Update the payment rates used under the SNF PPS for fiscal 2008.

The proposed rule increases SNF PPS reimbursement by approximately \$690 million in fiscal 2008 and extends the 128% add-on to cover the additional services required by nursing home residents with HIV / AIDS.

CMS uses a skilled nursing facility “market basket” to measure changes in the prices of an appropriate mix of goods and services included in covered skilled nursing facility stays. The price of items in the market basket is measured each year with Medicare payments adjusted accordingly. For Fiscal Year (FY) 2008, CMS proposes to revise and rebase the market basket, which currently reflects data from fiscal 1997, to total cost data reflecting fiscal 2004. The proposed FY 2008 market basket increase is 3.3%.

The annual update of payment rates includes, as appropriate, an adjustment to account for market basket forecast error. CMS proposes a threshold adjustment for triggering a forecast error from the current 0.25 to a 0.5 percentage point. CMS believes the threshold adjustment represents an amount that is sufficiently high to screen out expected minor variances in a projected statistical methodology while appropriately triggering an adjustment where it is clear that historical price changes are not being adequately reflected. The

difference between the forecasted and actual market basket increases for FY 2006 was 0.3 percentage point.

Fiscal Year 2008 Unadjusted Federal Rate Per Diem - Urban

Urban	Proposed 2008 Rate	2007 Rate
Nursing Case-Mix	\$146.77	\$142.04
Therapy Case-Mix	\$110.55	\$106.99
Therapy Non-Case-Mix	\$14.56	\$14.09
Non-Case-Mix	\$74.90	\$72.49

Fiscal Year 2008 Unadjusted Federal Rate Per Diem – Rural

Rural	Proposed 2008 Rate	2007 Rate
Nursing Case-Mix	\$140.22	\$135.70
Therapy Case-Mix	\$127.48	\$123.37
Therapy Non-Case-Mix	\$15.55	\$15.05
Non-Case-Mix	\$76.29	\$73.83

Contact the Polaris Group for additional information or to obtain a copy of the Federal Register containing the complete SNF PPS Proposed Rule. CMS is accepting comments on the proposed rule through June 29, 2007.

For more information, please contact your Polaris Group representative.

Invalid Rejection of SNF Part B Claims

CMS has identified an issue with the Skilled Nursing Facility (SNF) Informational Unsolicited Responses (IUR) system. Changes relating to the Benefits Exhaust and No-Payment Claims have caused Part B claims that overlap non-pay SNF claims to reject in error. In a one-time notification, CMS has instructed Fiscal Intermediaries (FI) and Medicare Administrative Contractors (MAC) to automatically adjust these claims.

The problem may affect claims processed by Medicare from October 2, 2006 until January 29, 2007 when Medicare systems were fixed. Providers are encouraged to not take any action as the FI/MAC will take steps to adjust any claims affected and to reverse or stop any payment recovery actions.

CMS has commissioned the Common Working File (CWF) maintainer to create a program that will automatically identify the Part B claims that were erroneously rejected. The FISS maintainer has created an additional utility that will automatically adjust the Part B claims and reinstate the payment that was erroneously recouped. The contractors will be utilizing this program during the weekend of May 26th and 27th. Providers will be able to view the corrected claims during the week of May 28th through June 1st and should expect payment shortly thereafter.

Part B providers are encouraged to allow the Medicare contractors to reprocess these claims and to not resubmit or adjust them in the meantime.

LIFE SAFETY CODE

DOOR GAP REQUIREMENTS

CMS issued a memorandum to State Survey Agency Directors and State Fire Authorities to clarify requirements for door gaps in the 2000 edition of the Life Safety Code (LSC), National Fire Protection Association (NFPA) 101. The information applies to corridor doors other than those in required enclosures of vertical openings, exits and hazardous areas. The information does not apply to doors in smoke barriers.

The following is a direct excerpt for the CMS memorandum:

“The majority of existing health care facilities have solid core wood doors in the corridors, particularly doors to resident or patient sleeping rooms. These doors are usually 36” to 44” wide. Wide wood doors such as those used in health care facilities will expand

and contract due to changes in temperature and humidity, and over time warp to some degree. It is not practical, particularly on the latch side of the door, to maintain a minimum of 1/8 inch gap. For example, a 36” to 44” wood door installed during a dry period with a 1/8 inch gap may not close and latch when the humidity is high. A 1/8 inch gap is not sufficient clearance for proper operation of these doors.

The LSC does not specify a minimum gap for corridor doors [of 1/8 inch] and, in addition, the LSC specifically states that compliance with NFPA 80, Standard for Fire Doors and Fire Windows, is not required (18/19.3.6.3.1). Therefore, it is incorrect to apply the 1/8 inch gap restriction (for doors in smoke barriers) to corridor doors that are not part of a smoke barrier. (18/19.3.7.3 and 8.3.4.1/A8.3.4.1)

It has come to our attention (CMS) that in limited instances a “light test” has been used to determine if the door gap is adequate or too large. (If the surveyor sees light through the door gap, he/she determines that the gap is too large and the provider is cited for a deficiency.) There is no criterion for a light test anywhere in the LSC or in other NFPA Codes and Standards.”

ICD-9 CODES

Are the ICD-9 codes included on your Medicare Claims sufficient to support the medical necessity and intensity of services billed? Did you know that complete and accurate ICD-9 coding can prevent Additional Documentation Requests and incomplete codes may be deemed invalid?

The Medicare Claims Processing Manual, Chapter 6, SNF Inpatient Part A Billing states that ICD-9 codes must be reported according to Official ICD-9-CM Guidelines for Coding and Reporting, as required by the Health Insurance Portability and Accountability Act (HIPAA), including any applicable guidelines regarding the use of V codes. The code must be the full ICD-9-CM diagnosis code, including all five digits where applicable. CMS added the language regarding the acceptance of V codes to the Medicare Claims Processing Manual in December 2005.

Complete and accurate ICD-9 coding requires the active use of the Alphabetical (Volume II) and Numeric (Volume I) Indexes contained in official ICD-9-CM Manual. ICD-9 codes are updated annually with implementation of any changes effective October 1. Minor updates are posted in April of the

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following year when necessary. The 90 day grace period for implementation of new, deleted or revised ICD-9 codes expired in 2004.

In addition to new, deleted and revised ICD-9 codes, the annual update to the ICD-9-CM Coding Guidelines includes a “V Code Table” that defines when a V Code must be used as the First Listed Diagnosis only, as either the First Listed or Additional code, as an Additional Code only or falls into the Non-Specific Category. Non-Specific codes may be First Listed or Additional Codes, but would not likely be used in the Nursing Facility setting.

Although the V Code Table includes many codes that would not be used in the Nursing Facility, categories of codes are appropriate and should be used following the official coding guidelines.

The Fiscal Year 2007 coding guideline update clarifies the use of Traumatic and Pathologic Fracture Codes, Septicemia, Systemic Inflammatory Response Syndrome (SIRS), Sepsis, Severe Sepsis and Septic Shock Codes and provides new codes for Pain.

To learn more about ICD-9 Coding visit the Polaris Group at www.polaris-group.com and register for our ICD-9 Coding Teleconferences. Part 1—The Basics reviews the use of the ICD-9-CM Manual Volumes I and II. Part 2— ICD-9 Coding for Long Term Care includes details regarding the 2007 Coding Guideline update, the use of V Code in the Nursing Facility setting, and scenarios with examples of accurate ICD-9 Coding.

SOLUTION CENTER Q&A

“Where No Question Goes Unanswered”

- Q: How do therapy caps affect the expedited determination process?
- A. Exceeding the therapy cap alone does not trigger the right to an expedited determination. Exceeding the therapy cap is similar to exhaustion of other benefits, such as when a beneficiary exceeds the limit of 100 days of coverage in a SNF Part A stay. Providers never issue generic notices based solely because benefits exhaust. However, if reaching the cap coincides with the end of other Medicare covered care offered by the provider, the generic notice should be given to allow the beneficiary to receive a QIO opinion on the other services being terminated at the end of coverage, if so desired.

TELECONFERENCE TRAININGS

Polaris Group is pleased to present the following **CEU approved** teleconference trainings
Live Teleconference Trainings

Topic	Date
Super Supervisor	5/15
Sections I, J, O, and W	5/16
Activities Protocol and Psychosocial Grid	5/17
Feedback on Performance	5/22
MDS for Administrators	5/23
Behavior Assessments, Monitors, Care Plans	5/24
Quality Indicator Survey QIS	6/7
Managing New Admissions	6/8
Effective QA Program	6/12
MDS for Administrators	6/13
ADR—Part One	6/14
Tame the Care Plan Monster	6/15
Managed Risk	6/19
ICD 9 Codes	6/20
ADR—Part Two	6/21
QA Audits that Work	6/26
ICD 9 Codes—Part Two	6/27
ADR—Part Three	6/28

*Please join us in our Teleconferences .
 For further information regarding these seminars,
 please contact the
 Seminar Department at:
 800-275-6252 ext. 233
 Or register at: www.polaris-group.com*



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