



*An Informational Bulletin Brought To You By Polaris Group*

### **Implementation of RUG-IV payment plan in 2010 to be interim measure**

Section 10325 of the Patient Protection and Affordable Care Act (PPACA) includes a provision addressing Medicare payments for SNFs in FY 2011. This section mandates a delay in the introduction of the RUG-IV case mix classification system until FY 2012. In addition, it requires that version 3.0 of the Minimum Data Set (MDS 3.0) Resident Assessment Instrument will be implemented as planned in FY 2011.

Finally, the section requires that certain specific components of RUG-IV, specifically, the concurrent therapy and look-back revisions, be applied in FY 2011. While there is currently an existing grouper (the software program that uses assessment data to assign each SNF resident to the appropriate RUG) that utilizes the 53-group RUG-III system and the MDS 2.0, and a revised grouper that utilizes RUG-IV and the MDS 3.0, a grouper that incorporates the particular combination of features mandated by the statute does not currently exist. CMS is currently working on an integrated payment system (Hybrid RUG-III) which incorporates RUG-IV's specific revisions on concurrent therapy and the look-back period within the framework of the existing 53-group RUG-III system, along with the use of MDS 3.0 to incorporate the combination of features mandated by PPACA.

As CMS continues to build the integrated payment system (Hybrid RUG-III) needed to incorporate the combination of features, CMS will apply interim payment rates using MDS 3.0 and RUG-IV that will be implemented on Oct. 1, 2010. This is only an INTERIM measure until an integrated payment system (Hybrid RUG-III) can be developed. Once

that payment system is in place, any claims paid at the interim RUG-IV rates will be reprocessed using the Hybrid RUG-III system. Under the new payment system, new claims will be paid at the Hybrid RUG-III rate through Sept. 30, 2011.

**The Centers for Medicare & Medicaid Services will implement “interim” payments that reflect the MDS 3.0 and RUG-IV system this October only if Congress does not pass legislation repealing the delay of RUG-IV until October 2011.**



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### **CMS has Instructed its Contractors to hold 2010 Claims paid under the MPFS**

The Continuing Extension Act of 2010, enacted on April 15, 2010, extended the zero percent (0%) update to the 2010 Medicare Physician Fee Schedule (MPFS) through May 31, 2010. The Centers for Medicare & Medicaid Services (CMS) believes Congress is working to avert the 21.2% cut in the Medicare physician fee schedule effective June 1, 2010.

To avoid disruption in the delivery of health care services to beneficiaries and payment of claims for physicians, non-physician practitioners, and other providers of services paid under the MPFS, CMS has instructed its contractors to hold claims containing services paid under the MPFS (including

anesthesia services) for the first 10 business days of June.

Nursing homes' Part B therapy reimbursement is tied to the physician fee schedule. This hold will only affect MPFS claims with dates of service June 1, 2010, and later.

**The National Quality Forum Steering Committee Considers MDS 3.0 Quality Measures**

The National Quality Forum (NQF), National Voluntary Consensus Standards for Nursing Homes has started selection of a core set of chronic and post acute care measures for public reporting.

The steering committee considered 25 candidate measures and plans on approving 18 measures. Please click on this link to read the 25 candidate measures.

NQF plans to post the approved nursing home measures for member and public comment on August 25, 2010 - September 24, 2010.

**The final NQF nursing home measure report is due to the Centers for Medicare & Medicaid Services (CMS) by December 31, 2010.**

CMS holds the right to consider the NQF measure recommendations and to decide whether to accept the measures. CMS may decide to add new measures, including those rejected by the NQF nursing home steering committee.

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**MDS Corner**  
**CMS Posted Revised RAI**  
**MDS 3.0 Sections**

CMS posted updated versions of Chapter 3 in the RAI User's Manual for the MDS 3.0.



May 25, 2010 updates:

- Section I – Active Diagnosis
- Section L – Oral/Dental Status
- Section N – Medications
- Section P – Restraints

CMS also posted a revised MDS 3.0 implementation timeline, as well as MDS 3.0 training slides and instructor guides.

May 28, 2010 updates:

- Section H – Bladder and Bowel
- Section K – Swallowing/Nutritional Status
- Section X – Correction Request.

June 4, 2010 updates:

- Section B – Hearing, Speech, and Vision
- Section D – Mood
- Section E – Behavior
- Section F – Preferences for Customary Routine and Activities

CMS anticipates all updates to Chapter 3 will be out by June 11, 2010. The goal is to have the complete revised RAI manual out by June 18, 2010.

For additional information, please visit our website at: [http://www.polaris-group.com/news\\_releases.asp](http://www.polaris-group.com/news_releases.asp)

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**Therapy Processing Problems**

Medicare does not require an OMRA to be done unless all therapy has ended. When a resident in an Ultra-High Therapy RUG-III Group decreases therapy or a discipline is discontinued, there is no mechanism to obtain a new HIPPS code for continued billing. Skilled Nursing Facilities are



permitted to code the existing HIPPS from the last assessment until the next assessment is due. Continued billing of an ultra-high rehabilitation HIPPS code without two therapy disciplines to support the RUG III Group will fail the FISS system edit.

***Work-a-round for Therapy Edit Problem eliminating the claim to be Return to Provider (RTP)***

Enter a single line of coding to represent the *therapy*, which has been *discontinued*

- ⇒ Revenue code **429** for discontinued Physical Therapy
- ⇒ Revenue code **439** for discontinued Occupational Therapy
- ⇒ Revenue code **449** for discontinued Speech Therapy
- ⇒ Enter a unit of '1'
- ⇒ Enter charges of '**0.01**'

For additional information, please visit our website at: [http://www.polaris-group.com/news\\_releases.asp](http://www.polaris-group.com/news_releases.asp)

**Q & A**

**“Where No Question Goes Unanswered!”**

- Q. We have a potential Medicare A admission that had 2 days in acute hospital and then was discharged to an Acute Rehabilitation Facility. Can we count the Acute Rehabilitation dates toward the 3-day qualifying hospital stay?
- A. If the Acute Rehabilitation Facility was a Medicare Certified Inpatient Rehab Facility (IRF) it will count toward the 3-day qualifying stay.

**Happy  
Father's Day  
June 20, 2010**

**TELECONFERENCE TRAININGS**

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

<u>Topic</u>	<u>Date</u>
MDS 3.0-Part I: Basics and More	6/8
MDS 3.0-Part II: Clinical Nurses Sections	6/9
MDS 3.0-Part III: Interviews & MDS Coding	6/22
MDS 3.0-Part IV: Care Area Assessments	6/23
RUG-IV-Part 1: Qualifiers & MDS Coding	6/24
RUG-IV-Part 2: Medicare MDS Requirements	6/29
MDS 3.0-Part I: Basics and More	7/19
MDS 3.0-Part II: Clinical Nurses Sections	7/20
MDS 3.0-Part III: Interviews & MDS Coding	7/21
MDS 3.0-Part IV: Care Area Assessments	7/22
RUG-IV-Part 1: Qualifiers & MDS Coding	7/23
RUG-IV-Part 2: Medicare MDS Requirements	7/26

***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](http://www.polaris-group.com)***

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- \* **Regulatory research library and manuals**

**Apollo RM (risk management web application)**

**Demo date: June 25th at 1:00 PM EST**  
**Learn more and register for demo online:**  
[www.polaris-group.com](http://www.polaris-group.com)

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**Contributors:**

- Debora Philips, RN, AAS
- Victor Kintz, MBA, CHC, LNHA, RAC-CT, CCA
- Marty Pachciarz, RN, RAC-CT
- Deborah Moss, RN, MHS, RAC-CT
- Susan Dickson, RN, RAC-CT

**Editor:**

Chuck Cave, BS, CHC

**Production Manager:**

Cindy Hernandez