



An Informational Bulletin Brought To You By Polaris Group

CMS ANNOUNCES INCREASE IN PAYMENT RATES FOR MEDICARE SKILLED NURSING FACILITIES FOR FY 2011

The Centers for Medicare & Medicaid Services (CMS) posted payment updates for skilled nursing and inpatient rehabilitation facilities' Prospective Payment Systems (PPS) for FY 2011. Nursing home payment rates for fiscal year 2011 will have a market basket increase of 1.7 percent. This increase will result in an estimated \$542 million increase in Medicare payments to nursing homes across the country.

CMS updates the payment rates annually, using a market basket index reflecting changes in the prices of goods and services used to furnish covered care in nursing homes.

CMS has delayed the implementation of RUG IV until 10/1/11. Due to this regulatory delay, CMS needs to develop a HYBRID grouper that will bridge the differences between RUG III and MDS 3.0. CMS has stated this Hybrid will not be ready as of 10/1/10. As a result, CMS will be paying the RUG IV rates on an *interim basis* until the HYBRID grouper is in place sometime in early 2011. 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 grouper system.

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.

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



CMS Announces Temporary Revision to the Traditional Survey Process for Long Term Care Facilities

On July 30, 2010, CMS announced temporary revision to the Traditional Survey Process in Appendix P of the State Operations Manual (SOM). The Centers for Medicare & Medicaid Services (CMS) will release the MDS 3.0 version on October 1, 2010. As a result, there will be an inability to run the QM/QI Reports which are used offsite to assist the surveyors in selecting their Phase 1 resident sample. The survey tasks have been revised so that nursing home survey teams can select the Phase 1 survey sample without the benefit of the QM/QI Reports. This temporary revision to Traditional Survey Process Tasks 1-5C will be implemented October 1, 2010, only for those nursing home surveys in which the traditional survey process is being used.

- **Quality Measure/Quality Indicator (QM/QI) reports:** Unavailable for use October 1, 2010 in the Traditional Survey Process until further notice;
- **Temporary revisions to Traditional Survey Process Tasks 1-5C:** Revision effective October 1, 2010 and for use for all surveys in LTC Facilities in which the Traditional Survey Process is used; and will continue until further notice;
- **Permanent Revisions to Appendix P:** Revision of terminology including removing the Resident Assessment Protocols (RAPs) and replacing with Care Area Assessment (CAAs), and reports



formerly identified as the Online Survey Certification and Reporting (OSCAR), and now known as the Certification and Survey Provider Enhanced Reporting (CASPER) are effective October 1, 2010; and

- **Training Materials:** A training document with speaker notes for Centers for Medicare & Medicaid Services (CMS) Regional Offices (ROs) and State Survey Agencies (SAs) to use to train surveyors on this revision to Appendix P in the SOM is attached to this memorandum.

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CORE SET OF PERFORMANCE MEASURES FOR NURSING FACILITIES POSTED FOR COMMENT

The National Quality Forum (NQF) posted the draft document, National Voluntary Consensus Standards for Nursing Homes. A core set of performance measures for chronic and post-acute care nursing facilities provides tools for regulators, purchasers, and consumers to evaluate the quality of care in these facilities, as well as metrics facilities can use to assess and improve the quality of care they provide. This draft report recommends that 21 of these measures be endorsed.

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CMS releases updates to ICD-9 codes

CMS recently released its annual ICD-9 code revisions. The changes will be implemented October 1, 2010 and could have a significant effect on your SNF's reimbursement. ICD-9 codes play a role in both Medicare Part A and Part B coding, providing critical and required information on all Medicare claims submitted to fiscal intermediaries and Medicare administrative contractors.

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

New Proposed Rule Would Give CMS Flexibility on Nursing Home Penalties

The centers for Medicare and Medicaid Services (CMS) released a proposed rule in the Federal Register that would affect the amount and collection of nursing home civil monetary penalties (CMP).

To qualify for the reduced CMP under the proposed rule, a nursing home would have to report a deficiency before it is discovered by either CMS or a state agency, and correct the deficiency within 10 days. The penalty reduction would not apply in cases of immediate jeopardy, or in cases that are part of a recurring pattern of harm.

The proposed rule also includes a provision that allows the secretary of U.S. Department of Health and Human Services (HHS) to collect all CMPs and place them in escrow until all appeals are exhausted.

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MDS CORNER

Updates from CMS Train-the-Trainer Conference



- CMS is working diligently to develop a hybrid RUG system to comply with the partial RUG-IV delay included in the healthcare reform law. However, CMS officials hope Congress will rescind this delay.
- CMS provided conference attendees with the case mix index sets E01 and E02 for RUG-IV.
- CMS is creating a document highlighting the changes between the revised *RAI User's Manual* released this summer and the previous version. CMS officials said this document will be posted on their Web site shortly, but did not provide a date or time frame for when we can expect to see this.
- The CMS resident interviewing video should be available to order on the CMS Web site next week.
- The recently revised version of Chapter 3,



Section K of the *RAI User's Manual*, which was released in July, states that IV fluids administered solely for the purpose of prevention of dehydration should not be coded in Item K0500A. "Active diagnosis of dehydration must be present in order to code this fluid in K0500A," according to page K-9 of the manual. CMS officials said that facility staff members should use clinical judgment and if there are clinical indicators of dehydration and IV fluids are needed, you should code this on the MDS 3.0 even if there is no diagnosis of dehydration. CMS officials said that the language in the *RAI User's Manual* will be revised to reflect this.

- ADL performance coding cannot include Ambulance driver transfers.
- In Section J related to pain management; if a PRN is offered but refused, J0100B Received PRN Medication
- The first MDS 3.0 ARD requirement will be based on previous MDS 2.0 completion date whether MDS or RAPS completion date.

Q & A

"Where No Question Goes Unanswered!"

Q: Is the MDS discharge tracking form required when a resident goes to the ER before midnight and returns the next day? Also, what if they go LOA overnight?

A: In some situations, Discharge and Reentry Tracking forms **are not completed:**

- When the resident leaves the facility on a temporary visit home, or on another type of therapeutic or social leave.
- When residents are in a hospital outpatient department for an observational stay of less than 24

Hours and the resident is not admitted for acute care as an inpatient. If the observational stay goes beyond 24 hours or if the resident is admitted for acute care, then a Discharge tracking form must be completed within seven days. The discharge date entered at R4 would be the date that the resident actually left the facility, not the date he was admitted to the Hospital.

Happy Labor Day
September 6, 2010



WEBINAR TRAININGS

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

Topic	Date
Medicare Basics	8/10
RACs Audit	8/12
MDS 3.0 Part 1	8/23
MDS 3.0 Part II	8/24
MDS 3.0 Part III	8/25
MDS 3.0 Part IV	8/26
RUG-IV Part 1	8/30
RUG-IV Part II	8/31

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

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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