



An Informational Bulletin Brought To You By Polaris Group

CMS PUBLISHES MDS 3.0 RAI MANUAL UPDATES

CMS published the updates to the Minimum Data Set (MDS) 3.0 Resident Assessment Instrument (RAI) manual for skilled nursing facilities (SNFs). These updates will be effective October 1, 2011. The manual contains both the updated version files (new for FY 2012) and earlier version (no change) files. Change-table files are included only for sections of the manual that have changes that will be effective October 1. Sections that have been updated include: Title Page, Table of Contents, Chapter 1, Chapter 2, Chapter 3 (Introduction, Sections: C,H,I,K,M,N, and O), Chapter 4, Chapter 6, and Appendices (A, B, C, and E). Each manual page reflects the effective date of the content.

Listed below are some of the key changes in the manual;

- New assessment schedule:** CMS made changes to the assessment schedule by changing the assessment reference date (ARD) window and allowable grace days for most assessments.
- Introduction of the Change of Therapy (COT) OMRA:** The COT assessment will be completed when the intensity of therapy changes to such a degree that the resident would classify into a different RUG-IV category than the RUG-IV category determined by the previous Medicare assessment. The observation period for the COT OMRA is a rolling seven-day window, with the first window ending seven days after the ARD of the Scheduled Medicare assessment. The rolling 7 days continues until the next Scheduled Medicare assessment ARD resets the COT observation. End result, every day a resident receives therapy, that day is in a observation period and minutes must be managed.
- Introduction of the End of Therapy (EOT) – Resumption (EOT-R) OMRA:** In cases where therapy resumes after the EOT OMRA is completed and the resumption of therapy date is no more than five consecutive calendar days after the last day of therapy provided, and the therapy services have resumed at the same RUG-IV classification level that had been in effect prior to the EOT OMRA, an EOT-R OMRA may be completed.
- Clarification of the group therapy definition:** The new RAI User's Manual defines group therapy as the treatment of four residents, regardless of payer source, who are performing the same or similar activities, and are supervised, by a therapist or assistant who is not supervising any other individuals. It is important to note that the minutes being coded on the MDS are unadjusted minutes. The software grouper will allocate the minutes appropriately. In the case of group therapy, the minutes will be divided by four. Even if a resident could not attend or finish a group therapy session, the minutes will be divided by four.
- Removal of the line-of-sight provision:** Therapy students are no longer required to be in line-of-sight of the professional supervising therapist/assistant. Within individual facilities, supervising therapists/assistants must make the determination as to whether or not a student is ready to treat patients without line-of-sight supervision. Additionally all state and professional practice guidelines for student supervision must be followed.





Transition Schedule Updates CY 2012 PPS Final Rule

- An MDS completed in Sept. may be used to calculate payment for both Sept. and Oct. covered days. To meet that transition need, CMS created two RUGs to provide a RUG for billing Sept. and a RUG for billing Oct.
- Beginning on September 18, 2011, the ASAP submission database was adjusted to begin reporting RUG categories for both FY2011 and FY2012 for assessments with ARDs between 8/22/2011 and 10/31/2011.
- The final validation reports associated with these assessments will reflect both FY2011 RUG-IV (Sept. Claims) and FY2012 RUG-IV (Oct. Claims).
 - ⇒ For an MDS with ARD in September/August (FY2011), use the normal RUG for Sept. claims, and then use the FY2012 RUG Group shown in Error Message #1059
 - ⇒ For an MDS with ARD in Oct (FY2012), use the normal RUG for Oct. Claims, and, if needed, use the FY2011 RUG Group shown in Error Message #1060 for Sept. claims (e.g. 5 day MDS with ARD Oct 3, some days are billed back in Sept. and some for Oct.)
- If an MDS is completed that has payment periods extending prior to or after the Oct. 1 transition date these warnings become imperative for accuracy in billing the appropriate RUG.
- For assessments that were submitted to the database PRIOR to Sept. 18 that will have a payment period overlapping the Oct. 1 transition date you will need to resubmit. (Identify residents with target MDS based on census Oct. 1).
 - ⇒ Submit a “modification” for the corresponding MDS making no changes.
 - ⇒ Code X0100 as a “2” to modify
 - ⇒ Code X0900Z for “other” reason for modification indicating “FY2012 Transition RUG”
 - ⇒ No other changes are required to attain the transition RUG warning message for FY2012 (Oct) covered days.
- The End of Therapy-Resumption (EOT-R) rules can be applied to an EOT with an ARD in Oct.
- The Change of Therapy (COT) rules begin with MDS with an ARD in Oct.

- Group Minutes requiring 4 residents and the new allocation is applied to MDS with ARD in Oct. even if observation period extends back into Sept.

CMS ISSUES ADVANCE COPY OF SURVEY GUIDANCE ON FEEDING TUBES

Centers for Medicare and Medicaid Services (CMS) made changes to surveyor guidance for Feeding Tubes in Appendix PP of the State Operations Manual (SOM) to provide clarification to nursing home surveyors when determining compliance with the regulatory requirements for feeding tubes. The regulatory language will remain unchanged.

The intent of this regulation is that:

- The feeding tube is utilized only after adequate assessment determines that the resident's clinical condition makes this intervention medically necessary;
- A feeding tube is utilized in accordance with current clinical standards of practice and services are provided to prevent complications to the extent possible; and
- Services are provided to restore normal eating skills to the extent possible.

Memorandum Summary

- Revision to F tag 322: Revisions have been made to Guidance to Surveyors at F tag 322 in Appendix PP of SOM concerning Feeding Tubes.
- Collapsed F tag 321: F tag 321 is deleted and the regulatory language and guidance moved to F tag 322.
- Training: Power Point training material with speaker notes for Centers for Medicare & Medicaid Services (CMS) Regional Offices (ROs) and State Survey Agencies (SAs) to be used to train surveyors on this revision to F tag 322 in the SOM will be issued under a separate communication.

This revision will be implemented on November 30, 2011. At that time, a final copy of this new guidance will be available.

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



CMS IMPLEMENTS MEDICAID RACS BEGINNING JANUARY 1, 2012

The Centers for Medicare & Medicaid Services (CMS) issued a final rule, providing guidance to states about Federal and State funding for the start-up, operation, and maintenance of Medicaid Recovery Audit Contractor (RAC) payments. Under the Patient Protection and Affordable Care Act (PPACA), states must establish programs that contract with one or more Medicaid RACs to review Medicaid claims, with the goal of identifying over- and underpayments before the end of the year.

Provisions of the Medicaid RAC program's final regulations include the following:

- States must refer any suspected fraud or abuse to local law enforcement or the appropriate Medicaid Fraud Control Unit (MFCU). MFCUs are certified by the HHS Office of Inspector General to investigate and prosecute Medicaid fraud and operate in all 50 states and the District of Columbia.
- Require states to coordinate Medicaid RAC operations with other auditing organizations operating within the state.
- Require the Medicaid RAC to hire at least one full-time medical director. The medical director must be a doctor of medicine or a doctor of osteopathy in good standing with the state licensing board.
- Set limits on the number of medical records a Medicaid RAC can review.
- Require Medicaid RACs to work with the state to create education and outreach programs.
- Prohibit Medicaid RACs from reviewing claims older than three years, unless granted an exemption from the state.
- Require Medicaid RACs to return their contingency fee if any overpayment determination is reversed during the appeals process.
- Ensure that Medicaid RACs do not audit claims that have already been audited, or are currently being audited by another organization

The final rule is effective Jan. 1, 2012.

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

2011 WEBINAR TRAININGS

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

Topic	Date
New SNF Rules Part 1	9/22
New SNF Rules Part 2	9/23
Medicare Part A Basics	10/4
Medicare Doc & Skilling Criteria	10/11
CMS OBRA Survey Rules Review	10/11
New SNF Rules Part 1	10/13
Denial Letters & Generic Notices	10/18
Survey Prep & Process	10/18
New SNF Rules Part 2	10/20
Writing a Plan of Correction	10/25
New QM/QI Measures 2012	10/27

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*

• **POLARIS PULSE** is an informational newsletter distributed to **POLARIS GROUP** clients. For further information regarding services or information contained in this publication, please contact **POLARIS GROUP** corporate headquarters at 800-275-6252.

Contributors:

Debora Philips, RN, RAC-CT
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