



*SPECIAL EDITION Bulletin Brought To You By Polaris Group*

## **PRESIDENT OBAMA SIGNS HEALTHCARE REFORM BILL INTO LAW**

President Obama signed the healthcare reform bill into law on March 23, 2010. Listed below are a summary of key healthcare reform provisions affecting Long Term Care providers.

### **Therapy Caps**

The current exceptions process for Medicare Part B outpatient therapy services is extended through December 31, 2010.

### **RUG IV**

The law delays the implementation of the RUG-IV payment system by one year, to October 1, 2011. There are efforts to reverse this delay. However, the implementation of the concurrent therapy adjustment, the look back period change and MDS 3.0 have not been delayed and will go into effect on October 1, 2010.

### **Skilled Nursing Facility Market Basket Productivity Adjustment**

The law would implement a full productivity adjustment for nursing homes beginning in FY 2012 (October 1, 2011). The update would be based on the market basket or Consumer Price Index minus full productivity estimates for all Part A and Part B providers who are subject to a market basket or consumer price index update.

### **Value-Based Purchasing**

The new law includes a provision that would require the Secretary to submit to Congress an implementation plan for value-based purchasing for skilled nursing facilities by October 1, 2011. The plan must consider the following:

- The development, selection, and modification process of measures.
- The reporting, collection, and validation of quality data.
- A structure of proposed value-based payment adjustments, including

recommendations on thresholds or improvements in quality that would substantiate a payment adjustment, the size of such payments, and the source of funding for value-based incentive payments.

- Methods for publicly disclosing performance information on performance.

### **Ability of Physician Assistants to Certify Need for Post Acute Care**

Provides the authority for physician assistants to certify the need for post-hospital extended care services.

### **Recovery Audit Contractor**

Medicare Parts C and D, as well as Medicaid, would be included in the Recovery Audit Contractors Program, which collects and identifies underpayments and overpayments currently for Medicare Parts A and B.

### **Payments**

Under previous law, providers had 36 months to file claims for Medicare Parts A and B. The law now requires this timeframe to no more than 12 months.

### **Nursing Home Transparency**

- **Required Disclosure of Ownership** – SNFs/ NFs are required to disclose information on their organizational structures as well as information on officers, directors, trustees, or managing employees, including names, titles, and start date of service.





- **Compliance Program** – The department of Health and Human Services (HHS) is required to develop regulations for an ethics and compliance program for SNFs/NFs within two years of enactment.
- **Nursing Home Compare-** The law requires Medicare’s Nursing Home Compare to include additional information. It requires that information provided for comparison of nursing homes be posted on the Nursing Home Compare website in a manner that is easily accessible, updated on a timely basis, readily understandable to consumers of long-term care services. In reviewing and modifying the website, the secretary must consult with State long-term care ombudsman programs, consumer advocacy groups, and provider stakeholder groups.
- **Reporting of Expenditures-**The law requires SNFs/NFs to report expenditures for wages and benefits for direct care staff on facility cost reports.
- **Standardized Complaint Form-**The law requires the secretary to develop a standardized complaint form for use by a resident (or a person acting on the resident’s behalf) in filing a complaint with a State survey and certification agency and a State long-term care ombudsman program.
- **Staffing Accountability-**The law requires the Secretary to develop a program for facilities to report staffing information in a uniform format based on payroll data, including information on agency or contract staff.
- **Civil Money Penalties-**The law enables facilities to participate in an independent informal dispute resolution process that would produce a written record and would occur within 30 days of imposition of a penalty. In cases of immediate jeopardy, the Secretary would be authorized to place civil monetary penalties in an escrow account following

completion of the informal dispute resolution process. In addition, the Secretary and the states would have the ability to reduce civil monetary penalties if a deficiency is self-reported and promptly corrected.

- **Independent Monitoring Pilot Program-**The law requires HHS to develop, test and implement a two-year independent monitoring pilot program that would oversee large SNFs and nursing home chains.
- **Notification of Facility Closure-**The law requires SNFs/NFs to notify State, Federal and stakeholder officials, residents and their representatives at least 60 days in advance of any nursing facility closure.
- **Nursing Home Demonstration Projects-**This law requires HHS to conduct a demonstration project for SNFs/NFs on the development of best practices for culture change, and another demonstration on development on the best use of information technology.
- **Dementia and Abuse Prevention Training-**The law adds additional staff training requirements for SNFs/NFs to include dementia management and patient abuse prevention in ongoing nurse aide training, competency, and evaluation program requirements.

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