



FY 2012 Medicare PPS Payment:

Summary of MDS 3.0 / RUG-IV Changes

August 18, 2011

CMS' Final Rule for the Medicare Prospective Payment System for SNFs for FY 2012 was published on July 29, 2011 and goes into effect October 1, 2011. It makes official a number of changes in the Proposed Rule released in April 2011, many of them intended to return Medicare payments to the same level as under MDS 2.0 and RUG-III following a spike in 2011 payments under MDS 3.0 and RUG-IV.

Keane began work to program our MDS 3.0 software when the Proposed Rule was released. We have finalized our programming and released the update the week of August 15, 2011.

CMS released a Transition document that outlines the major changes and is available here: www.cms.gov/SNFPPS/03_RUGIVedu12.asp

New Change of Therapy (COT) OMRA

This new assessment type is required for patients classified into a therapy RUG-IV group, whenever the intensity of therapy (that is, the total reimbursable therapy minutes) changes to such a degree that it would classify to a different RUG. See the box on page 3 for intensity level criteria used in RUG-IV calculations.

The Assessment Reference Date (ARD) of the COT OMRA would be set for Day 7 of a COT observation period. Described as a rolling 7-day observation period, it is a successive 7-day window beginning on the day following the ARD set for the most recent scheduled or unscheduled PPS assessment.

CMS officials in the Open Door Forum of August 11 clarified that facility staff should review the status of residents in therapy RUGs every 7 days to see if a COT OMRA is needed, unless another assessment was done within the 7 days.

Group Therapy Minutes Allocation

Beginning October 1, 2011, the definition of group therapy will be "four patients (regardless of payer source) who are simultaneously performing the same or similar activities and are supervised by a therapist (or assistant) who is not supervising any other individuals." If one or more of the 4 participants were unexpectedly absent, the therapy session would still meet the definition as long as it was planned for 4 patients.

SNFs will report the total group therapy minutes on the MDS 3.0. That total time is divided by four by the software and the resulting number will be used to calculate RUG-IV scores. The 25 percent cap on group therapy minutes remains in effect and will be applied to the patient's reimbursable (after divided by 4) group therapy minutes.

continued

The Final Rule includes the definition of Concurrent Therapy for comparison purposes: “therapy consisting of 2 patients who are not performing the same or similar activity (regardless of payer source), both of whom must be in line-of-sight of the treating therapist (or assistant).”

Revised MDS 3.0 Assessment Schedule

CMS’ Transition document states that this change is to reduce overlap between assessment look-back periods. The new schedule is in the tables below published in the FY 2012 SNF PPS proposed rule that was finalized. The FY 2012 schedule is effective October 1, 2011. When October 1, 2011 is Day 19, 34, 64, or 94 of the stay, assessments should be completed by September 30 or they will be considered late.

Current FY 2011 MDS 3.0 Assessment Schedule – Table 10A

| Medicare MDS Assessment Type | Reason for assessment (A0310B code) | Assessment reference date window | Assessment reference date grace days | Applicable medicare payment days |
|------------------------------|-------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| 5 day | 01 | Days 1-5 | 6-8 | 1 through 14 |
| 14 day | 02 | Days 11-14 | 15-19 | 15 through 30 |
| 30 day | 03 | Days 21-29 | 30-34 | 31 through 60 |
| 60 day | 04 | Days 50-59 | 60-64 | 61 through 90 |
| 90 day | 05 | Days 80-89 | 90-94 | 91 through 100 |

FY 2012 MDS 3.0 Assessment Schedule – Table 10B

| Medicare MDS assessment type | Reason for assessment (A0310B code) | Assessment reference date window | Assessment reference date grace days | Applicable medicare payment days |
|------------------------------|-------------------------------------|----------------------------------|--------------------------------------|----------------------------------|
| 5 day* | 01 | Days 1-5 | 6-8 | 1 through 14 |
| 14 day | 02 | Days 13-14 | 15-18 | 15 through 30 |
| 30 day | 03 | Days 27-29 | 30-33 | 31 through 60 |
| 60 day | 04 | Days 57-59 | 60-63 | 61 through 90 |
| 90 day | 05 | Days 87-89 | 90-93 | 91 through 100 |

*Changes would also apply to Readmission/Return Assessment (A0310B code = 6)

Above tables accessed August 17, 2011 from the SNF Medicare PPS Proposed Rule published in the Federal Register of May 6, 2011, page 26389: www.gpo.gov/fdsys/pkg/FR-2011-05-06/pdf/2011-10555.pdf

Revised End-of-Therapy (EOT) OMRA Policy

Prior to FY 2012, a distinction was made between facilities that regularly provided therapy services 5 days per week and those that provided therapy services 7 days per week for the purpose of setting the ARD for an End-of-Therapy (EOT) OMRA. Beginning October 1, 2011, all facilities will be considered 7-day facilities.

End of Therapy with Resumption (EOT-R)

An End-of-Therapy OMRA must be completed when a resident classified to a therapy RUG receives no therapy services for three consecutive days, regardless of the reason. The EOT OMRA reclassifies the resident into a non-therapy RUG. Prior to FY 2012, if the facility wanted to resume the resident's therapy, they would need to complete a Start-of-Therapy (SOT) OMRA or wait until the next scheduled PPS assessment.

Beginning October 1, 2011, SNFs may choose to complete an EOT-R assessment, using the EOT OMRA form and completing the new items, O0450A and O0450B, to resume a resident's classification in the same RUG as before therapy ended. This EOT-R may be used rather than a Start-of-Therapy (SOT) OMRA in cases where the resumption of therapy date is no more than 5 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.

Revised Student Supervision Requirements

Effective October 1, 2011, therapy students providing skilled therapy services within SNFs are no longer required to be under line-of-sight supervision.

Resources:

SNF Medicare PPS Final Rule published in the Federal Register August 8, 2011:
<http://www.gpo.gov/fdsys/pkg/FR-2011-08-08/pdf/2011-19544.pdf>

SNF Medicare PPS Proposed Rule published in the Federal Register May 6, 2011:
<http://www.gpo.gov/fdsys/pkg/FR-2011-05-06/pdf/2011-10555.pdf>

MDS 3.0 RAI Manual
www.cms.gov/NursingHomeQualityInits/45_NHQIMDS30TrainingMaterials.asp

FY 2012 SNF PPS Transition Policy Memo:
www.cms.gov/SNFPSP/03_RUGIVedu12.asp

Therapy Intensity Requirements for RUG-IV

The following are the criteria for therapy intensity levels. For a complete list of criteria for RUG calculations see the RAI Manual (rev May 2011), Chapter 6, pages 6-25 - 6-30.

In the past 7 days:

Ultra High Intensity

- 720 total reimbursable therapy minutes
- 1 discipline for at least 5 days
- 2nd discipline for at least 3 days

Very High Intensity

- 500 total reimbursable therapy minutes
- 1 discipline for at least 5 days

High Intensity

- 325 total reimbursable therapy minutes
- 1 discipline for at least 5 days

Medium Intensity

- 150 total reimbursable therapy minutes
- 5 days of any combination of 3 disciplines

Low Intensity

- 45 total reimbursable therapy minutes
- 3 days or any combination of 3 disciplines