PRIME REHABILITATION SERVICES

PPS AND FINANCIAL CHALLENGES 2012

PRESENTED BY:
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October 2011

Agenda Topics

- Financial Implications of SNF 2012 Rule
- RUG IV Classification Highlights
- 2012 Rate Graph
- Late Loss ADLs and Capture
- Key Assessment Review
  - Scheduled Assessment Schedule
  - Short Stay
  - Start of Therapy
  - End of Therapy – Resumption
  - Change of Therapy
2012 SNF Final Rule

- Net reduction in total nursing home rates by 11.1% ($3.87 billion)
  - Mainly in the recalibration of therapy RUG levels
- CMS had assumed the therapy RUG utilization in 2011 would decrease due to the changes in therapy mode delivery, but their predictions were wrong, resulting in financial expenditure increases
- Therefore, nursing case mix indices were decreased for the RUG IV therapy groups

Increased Cost / Decreased Revenues

- RUG IV recalibration reduces therapy revenue and the spread between nursing/rehab RUGs
- 2012 provisions eliminate “extras” and increases the cost of therapy
- Daily management necessitated
- More therapy needed but there will be decreased revenues
- Capacity is finite
RUG IV Classification System

- 66 categories
  - Rehabilitation plus extensive services
  - Rehabilitation
  - Extensive services
  - Special care high and low
  - Clinically complex
  - Behavior / cognitive performance
  - Reduced physical function
- ADL index (0 to 16 range)

RUG IV Chart
Rehabilitation RUGs

- Rehabilitation RUG category
  - 5 levels of intensity (RU, RV, RH, RM, RL)
- Rehabilitation PLUS Extensive Services remain an option but extensive services utilization limited
- X/L utilization has been dramatically reduced
- Reimbursable Therapy Minutes (RTM)
  - Minutes that count toward capturing a RUG category
- Therapy mode delivery
  - Individual = 100% of the minutes billed
  - Concurrent = 50% of the minutes billed
  - Group = 25% of the minutes billed

Rehabilitation RUG Category

<table>
<thead>
<tr>
<th>RUG Group</th>
<th>Minutes of therapy</th>
<th>Hours of therapy</th>
<th>3 of therapies</th>
<th>Freq Therapy 1</th>
<th>Freq Therapy 2</th>
<th>Restorative Nursing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ultra High</td>
<td>720</td>
<td>12</td>
<td>At least 2</td>
<td>At least 5 days</td>
<td>At least 3 days</td>
<td>XXX</td>
</tr>
<tr>
<td>Very High</td>
<td>500</td>
<td>8.3</td>
<td>At least 1</td>
<td>At least 5 days</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>High</td>
<td>325</td>
<td>5.4</td>
<td>At least 1</td>
<td>At least 5 days</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Medium</td>
<td>150</td>
<td>2.5</td>
<td>Any (or all) 3</td>
<td>At least 5 days</td>
<td>XXX</td>
<td>XXX</td>
</tr>
<tr>
<td>Low</td>
<td>45</td>
<td>0.75</td>
<td>Any (or all) 3</td>
<td>At least 3 days</td>
<td>XXX</td>
<td>2 services per RAI days/wk</td>
</tr>
</tbody>
</table>
### RUG IV Extensive Services

- ADL $\geq 2$
- All qualifiers must occur “while a resident”
  - ES3: Ventilator AND Trache
  - ES2: Ventilator OR Trache
  - ES1: Isolation due to active infection
    - Can code for “strict isolation” ONLY WHEN ALL met:
      - Resident has active infection with highly transmissible or epidemiologically significant pathogens acquired by physical contact or airborne or droplet transmission
      - Precautions are over and above standard precautions
      - Resident in in a room ALONE because of active infection and cannot have a roommate
      - Resident must remain in his/her room. All services brought to the resident

### RUG IV Special Care High

- Residents receiving the following complex clinical care or with a following medical condition:
  - Comatose and completely ADL dependent; septicemia; diabetes with daily injections requiring physician order changes on 2 or more days; quadriplegia and ADL score $\geq 5$; chronic obstructive pulmonary discarce and shortness of breath when lying flat; fever with pneumonia, or vomiting, or tube feeding, or weight loss; parenteral/IV feedings; respiratory therapy for 7 days; AND
  - ADL $\geq 2$
  - Signs of depression PHQ score $\geq 9.5$
RUG IV Special Care Low

- Residents receiving the following complex clinical care or with a following medical condition:
  - Cerebral palsy and ADL score >=5; multiple sclerosis and ADL score >=5; parkinson’s disease and ADL score >=5; feeding tube (calories >=51% or calories = 26-50% and fluid >= 501 cc); ulcers (2 or more stage II or 1 or more stage III or IV pressure ulcers; or 2 or more venous/arterial ulcers; or 1 stage II pressure ulcer and 1 venous/arterial ulcer) with 2 or more skin care treatments; foot infection, diabetic foot ulcer or open lesions on the foot with treatment; radiation therapy while a resident; respiratory failure and oxygen therapy while a resident; dialysis while a resident; AND

- ADL score >=2
- Signs of depression PHQ score >=9.5

RUG IV Clinically Complex

- Residents with Extensive Services, Special Care High or Special Care Low qualifier AND
- ADL score = 0-1 OR
- Residents with any of the following clinically complex qualifiers:
  - Pneumonia; hemiplegia and ADL score >=5; surgical wounds or open lesions with treatment; burns; chemotherapy while a resident; oxygen while a resident; IV medications while a resident; transfusions while a resident.
- Signs of depression PHQ score >=9.5
Depression – Financial Driver

- Depression is a major financial driver
- MDS 3.0 Section D
- End splits for Special Care High/Low and Clinically Complex
- Financial Impact:
  - HE2 (Special Care High with Depression – highest ADL score)
  - HE1 (Special Care High without Depression – highest ADL score)
  - Substantial financial difference per day

Behavior & Cognition

- Residents having cognitive impairment BIMS score <=9 or CPS >=3 OR
- Hallucinations or delusions OR
- Physical or verbal behavioral symptoms toward others; other behavioral symptoms; rejection of care; or wandering exhibited 4+ days over the past 7 days AND
- ADL score <=5
- Nursing Rehab Services (end splits):
  - Urinary and/or bowel training program; passive and/or active ROM; amputation/prosthesis care training; splint or brace assistance; dressing or grooming training; eating or swallowing training; transfer training; bed mobility and/or walking training; communication training.
Reduced Physical Functioning

- Residents whose needs are primarily for activities of daily living and general supervision.
- Residents not qualifying for other categories.
- Nursing Rehab Services (end splits):
  - Urinary and/or bowel training program; passive and/or active ROM; amputation/prosthesis care training; splint or brace assistance; dressing or grooming training; eating or swallowing training; transfer training; bed mobility and/or walking training; communication training.

Restorative Nursing Program

- Refers to nursing interventions that promote the resident's ability to adapt and adjust to living as independently and safely as possible.
- Actively focuses on achieving and maintaining optimal physical, mental and psychosocial functioning.
- Technique, training or skill practice must take place at least 15 minutes during the 24 hours period.
RUG IV – 2012 Adjusted Rates

2012 RUG IV Adjusted Rates per RUG

- Rehabilitation (RU, RV, RH, RM, RL)
- Skilled Nursing (Special Care High/Low; Clinically Complex)
- Non-Skilled Nursing (Behavior/Cognition; Reduced Physical)

Rehab RUG “Key” Financials

- **RUC = RUB rate** (no differential for ADL dependence)
- **RUB $$$ >> RUA $**
  - $122 per day difference
- **RUB $$$ >> RVB $**
  - $167 per day difference
- **RLB $$$ >> RLA $**
  - $172 per day difference
Under Coding = Lost Revenues

- ADLs
  - Significant financial impact
  - BETT on it (bed mobility, eating, transfers, toileting)
    - 4 key late-loss ADLs
  - Code for most extensive support on 24 hour nursing observation

- Depression
  - Actual capture significantly below projections
  - Review completion of interviews (PHQ-9), processes and education

Four Key ADLs – BETT on it!

- Four Key ADLs:
  - Bed Mobility (G0110A)
  - Eating (G0110H)
  - Toileting (G0110I)
  - Transfers (G0110B)

- Also known as “late loss” ADLs
- ADL index is the sum of the four late loss ADLs
- ADL coding increases in importance
- Major financial impact
ADL Self-Performance & Support

- **ADL Self Performance**
  - Measure what the resident *actually did* (not what he or she might be capable of doing) within each ADL category over the last 7 days according to a performance-based scale.

- **ADL Support Provided**
  - Measures the highest level of support *provided by the staff* over the last 7 days, even if that level of support only occurred once.

- Coded at the most dependent state

ADL Self Performance Algorithm

- Utilize for assistance in coding ADL self performance items.
- Consider each episode of the activity that occurred during the 7 day look-back period.
- Code based on the resident’s level of assistance when using special adaptive devices (walker, dressing stick, etc.)
### ADL Self Performance – Column 1

<table>
<thead>
<tr>
<th>0</th>
<th>Independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>No help or staff oversight at any time</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>1</th>
<th>Supervision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Oversight, encouragement, or cueing provided 3+ times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2</th>
<th>Limited Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident highly involved in activity; staff provide guided maneuvering of limbs or other non-weight bearing assist 3+ times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>3</th>
<th>Extensive Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident involved in activity; staff provide weight bearing support 3+ times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>4</th>
<th>Total Dependence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full staff performance of an activity with no participation by resident for any aspect of the ADL activity.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>7</th>
<th>Activity occurred only once or twice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity occurred but not 3+ times</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8</th>
<th>Activity did not occur</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADL activity was not performed by the resident or staff</td>
<td></td>
</tr>
</tbody>
</table>
G0110 – Coding

ADL Support – Column 2

- 0 – No setup or physical help from staff
  - No help or oversight
- 1 – Setup help only
  - Resident provided with materials or devices
- 2 – One person physical assist
- 3 – Two+ person physical assist
- 8 – ADL activity itself did not occur during the entire period

Functional ADL Status

SECTION G  Functional Status

G0110. Activities of Daily Living (ADL) Assistance

Refer to the ADL flow chart in the PAI manual for accurate coding.

Instructions for Rule of 3
- When an activity occurs three times at any one given level, code that level.
- When an activity occurs three times at multiple levels, code the most dependent exception is total dependence (4), activity must require full assist every time, and activity did not occur (8), activity must not have occurred at all. Example, three times extensive assistance (5) and three times limited assistance (2), code extensive assistance (5).
- When an activity occurs at various levels, but not three times at any given level, apply the following:
  - When there is a combination of full staff performance, and extensive assistance, code extensive assistance.
  - When there is a combination of full staff performance, weight bearing assistance and/or non-weight bearing assistance code limited assistance (2).
  - If none of the above are met, code supervision.

1. ADL Self-Performance
   Code for resident’s performance every time including setup. If the ADL activity occurred 3 or more times at various levels of assistance, code the most dependent - except for total dependence, which requires full staff performance every time.
   Coding:
   - Activity Occurred 3 or More Times:
     0. Independent - no help or staff oversight at any time
     1. Supervision - oversight, encouragement or cueing
     2. Limited assistance - resident highly involved in activity, staff provide guided maneuvering of limbs or other non-weight bearing assistance
     3. Extensive assistance - resident involved in activity, staff provide weight bearing support
     4. Total dependence - full staff performance every time during entire 7-day period
   - Activity Occurred 2 or Fewer Times:
     7. Activity occurred only once or twice - activity did occur but only once or twice
     8. Activity did not occur - activity (or any part of the ADL) was not performed by resident or staff at all over the entire 7-day period

2. ADL Support Provided
   Code for need for support provided over all shifts, code regardless of resident’s self-performance classification.
   Coding:
   0. No setup or physical help from staff
   1. Setup help only
   2. One person physical assist
   3. Two+ persons physical assist
   8. ADL activity level did not occur during entire period
ADL Coding – MDS 3.0

1. Self-Performance
   A. Bed mobility - how resident moves to and from lying position, turns side to side, and positions body while in bed or asleep, without assistance. 1, 2, 3, 4 = 0
   B. Transfer - how resident moves between surfaces including to or from bed, chair, wheelchair, standing position (excludes to/from bath/ward/). 1, 2, 3, 4 = 0
   C. Walk in room - how resident walks between locations in his/her room 1, 2, 3, 4 = 0
   D. Walk in corridor - how resident walks in corridor on unit 1, 2, 3, 4 = 0
   E. Locomotion on unit - how resident moves between locations in his/her room and adjacent corridor on the same floor. If in wheelchair, self-propelling once in chair 1, 2, 3, 4 = 0
   F. Locomotion off unit - how resident moves to and returns from off-unit locations (e.g., areas set aside for dining, activities of treatment). If facility has only one floor, how resident moves to and from distant areas on the floor. If in wheelchair, self-propelling once in chair 1, 2, 3, 4 = 0
   G. Dressing - how resident puts on, fastens and takes off all items of clothing, including dressing, removing a prosthesis or TIE hose. Dressing includes putting on and changing pajamas and hooded jackets. 1, 2, 3, 4 = 0
   H. Eating - how resident eats and drinks, regardless of skill. Do not include feeding of eating during medication administration. Includes intake of nourishment by other means (e.g., tube feeding, total parenteral nutrition, IV fluids administered for nutritive or hydration). 1, 2, 3, 4 = 0
   I. Toilet use - how resident uses the toilet, commode, bedpan, or urinal, transfers on or off toilet, cleanses self after elimination; changes pad, manages ostomy or catheter and adjusts clothes. Do not include simple acts of bedpan, urinal, bedside commode, catheter bag or ostomy bag. 1, 2, 3, 4 = 0
   J. Personal hygiene - how resident maintains personal hygiene, including combing hair, brushing teeth, shaving, applying makeup, washing/showering, face and hands (includes baths and showers). 1, 2, 3, 4 = 0

2. Support
   A. Code 0 - Independent
   B. Code 1 - Total Assistance
   C. Code 2 - Extensive Assistance
   D. Code 3 - Limited Assistance
   E. Code 4 - Supervision

ADL Self Performance Algorithm

START HERE
Did the activity occur at least 1 time?  
Yes
No
Did activity occur 5 or more times?  
Yes
No
Did resident fully perform the ADL activity without any help or overnight staff every day?  
Yes
No
Did resident fully perform full staff performance every time?  
Yes
No
Did resident require a combination of full staff performance and weight bearing assistance 3 or more times?  
Yes
No
Did resident require non-weight bearing assistance 3 or more times?  
Yes
No
If none of the rules of 5 conditions are met, Code 6: Supervision.
Key Assessments

- **Scheduled Assessments**
  - 5, 14, 30, 60, 90

- **Off Cycle Assessments**
  - Significant Change in Status Assessment (SCSA)
  - Short Stay Assessment (SSA)
  - Other Medicare Required Assessments (OMRA)
    - Start of Therapy (SOT)
    - End of Therapy (EOT) and End of Therapy Resumption (EOT-R)
    - Change of Therapy (COT)
  - Discharge Assessment

New MDS Assessment Schedule

<table>
<thead>
<tr>
<th>Medicare MDS Assessment Type</th>
<th>Reason for Assessment (A0310B code)</th>
<th>Assessment Reference Day (ARD) Window</th>
<th>Assessment Reference Date Grace Days</th>
<th>Applicable Medicare Payment Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 Day</td>
<td>01</td>
<td>Days 1 - 5</td>
<td>6 - 8</td>
<td>Days 1 - 14</td>
</tr>
<tr>
<td>14 Day</td>
<td>02</td>
<td>Days 13 - 14</td>
<td>15 - 18</td>
<td>Days 15 - 30</td>
</tr>
<tr>
<td>30 Day</td>
<td>03</td>
<td>Days 27 - 29</td>
<td>30 - 33</td>
<td>Days 31 - 60</td>
</tr>
<tr>
<td>60 Day</td>
<td>04</td>
<td>Days 57 - 59</td>
<td>60 - 63</td>
<td>Days 61 - 90</td>
</tr>
<tr>
<td>90 Day</td>
<td>05</td>
<td>Days 87 - 89</td>
<td>90 - 93</td>
<td>Days 91 - 100</td>
</tr>
</tbody>
</table>
Short Stay Designation (SSA)

- Purpose: The special RUG IV short stay therapy classification is designed to allow for some if not all of the days of a short stay to be paid at a Rehab RUG.
- This special category is for shorter stay resident who received therapy but did not achieve a Rehab RUG from the 5 day PPS MDS because the resident did not receive 5 days of therapy during their short stay (therapy start date through end of therapy is not 5 days).
- For residents discharged on or before day 8 who received less than 5 days of therapy, payment will be based on average daily minutes actually provided.

Short Stay Designation

- Used if therapy was only able to be provided 1-4 days and a therapy RUG was not achievable.
- If the 5 day PPS MDS achieves a rehab RUG no special short stay classification is requires. All days are paid at the rehab RUG even if therapy did not start the first day.
Short Stay Requirements (must meet all 8)

1. SOT OMRA
2. PPS 5 day or readmission/return assessment combined with SOT OMRA or prior to SOT OMRA
3. ARD SOT OMRA must be day 8 or earlier
4. ARD must be last day of Medicare stay
5. ARD may not be more than 3 days after start of therapy
6. PT/OT/SLP started during last 4 days
7. At least one therapy continued through last day of part A stay
8. RUG must be Rehab +ES or Rehab group

Short Stay Assessment Algorithm
Start of Therapy (SOT) OMRA

- SOT OMRA
  - Used to obtain therapy RUG any time during a stay
    - Rejected if non-therapy RUG
  - ARD 5-7 days after start of first therapy
    - Day 1 = day therapy started
  - Payment starts first day of therapy
  - Be attentive when combining

- Anytime therapy starts off cycle (or even “late” - a few days after admission) this should be considered and reviewed to capture care provided

End of Therapy (EOT) OMRA

- “Three Day” Policy
  - EOT OMRA must be completed when a Medicare A patient classified in a Rehab RUG did not receive any therapy sessions for three or more consecutive days for any reason (temporary, unplanned and planned discontinuations)
  - An EOT OMRA needs to be completed for missed therapy days regardless of whether therapy is missed on a weekday, weekend or holiday
  - Eliminates the distinction between a 5 or 7 day facility
  - Non-rehab RUG is paid during lull in treatment
### EOT OMRA Completion

- ARD for the EOT OMRA must be set for day 1, 2, 3 from the date of the resident’s last therapy session
  - Financial changes effective on the first day without therapy
- Needs to be completed if:
  - Planned EOT
    - Patient is discharged from the skilled therapy program (therapy RUG) and continuing under a skilled nursing program (skilled nursing RUG)
  - Unplanned EOT
    - Patient did not receive skilled therapy services for three consecutive days for any reason

### End of Therapy with Resumption (EOT-R)

- May be used when the patient will resume at the same therapy level as prior to the discontinuation of therapy (no new therapy evaluation needed).
- Resumption of therapy must occur no more than five days after the last day of therapy provided.
- Also applies to a RL category
  - Must see a patient Monday/Wednesday/Friday
- EOT-R criteria:
  - Therapy expected to resume at the same RUG level
  - Therapy must resume within five days
  - EOT ARD must be day 1 – 3
EOT-R MDS

- Complete an EOT MDS with ARD of days 1, 2, or 3 after the last day therapy was provided
- Adding items O0450A/B to MDS requesting you enter “date on which therapy regimen resumed”
  - The resumption of therapy date may not be within the ARD period of the EOT (i.e. EOT ARD is day 2 after last day of therapy and the resumption date is day 4)
- No new therapy evaluation needed
- Recommend not submitting an EOT until you verify that the patient would not qualify for the EOT-R

EOT and EOT-R Billing

- Clear communication by MDS coordinator with the therapy department and billing office
  - Therapy RUG billed until the last day of therapy
  - Medical RUG billed starting first day after therapy ended
  - Prior therapy RUG starts on day of resumption
EOT and EOT-R Example

5+ days without therapy

- If more than five consecutive days without a therapy service elapse and therapy starts again (patient skilled by nursing in the meantime):
  - Optional SOT OMRA
  - New therapy evaluation
Change of Therapy (COT) OMRA

- Required when the level (RUG) of therapy changes, using rolling 7 day average after the last ARD
- If the therapy received during the COT observation period does not reflect the RUG IV classification level on the patient’s most recent PPS assessment used for payment then an assessment must be done
  - COT Observation period – A successive 7 day window beginning the day following the ARD of the resident’s last PPS assessment used for payment
- Patients will NEVER be OUT of an assessment on a Medicare A stay

COT OMRA - Dates

- The COT OMRA retroactively establishes a new RUG beginning the day following the ARD of the resident’s last PPS assessment until the next scheduled or unscheduled Medicare PPS assessment
- Daily monitoring of days/minutes a MUST
- May be combined with on-cycle assessments
- COT = Same MDS item set as EOT
- Default rate applied for late COT OMRA
  - DENIAL OF ALL ASSESSMENT DATES IF MISSED
The “Need” for Therapy Minutes

CMS Resources

- FY 2012 RUG-IV Education & Training
- Government website
- August 23, 2011 National provider call transcript and slides
Upcoming National Provider Call

- **National Provider Call**: Skilled Nursing Facility Prospective Payment System Minimum Data Set 3.0 and Resource Utilization Group-Version 4 Policies and Clarifications – Registration Now Open

  - Thu Nov 3; 1:30-3pm ET

  - CMS will host a National Provider Call on “Skilled Nursing Facility (SNF) Prospective Payment System (PPS) Minimum Data Set (MDS) 3.0 and Resource Utilization Group-Version 4 (RUG-IV) Policies and Clarifications.” CMS subject matter experts will provide a brief overview of the policies, along with clarifications on the SNF PPS FY2012 policies related to the MDS 3.0. A question and answer session will follow the presentations.

- **Target Audience**: SNF providers, facility Resident Assessment Instrument (RAI) coordinators, state RAI coordinators, rehabilitation therapists, Recovery Audit Contractors, and Medicare Administrative Contractors

- **Agenda**:
  - Allocation of group therapy
  - Changes to the MDS Assessment Schedule
  - End of Therapy (EOT) Other Medicare Required Assessment (OMRA) Clarifications
  - End Of Therapy with Resumption (EOT-R)
  - Change of Therapy (COT) OMRA

- **Registration Information**: In order to receive the call-in information, you must register for the call. Registration will close at 12pm on Thu Nov 3 or when available space has been filled. No exceptions will be made. Please register early. For more details, including instructions on registering for the call, please visit [http://www.eventsvc.com/blhtechnologies](http://www.eventsvc.com/blhtechnologies).

Thank you for attending today’s presentation by Prime Rehabilitation Services.

Call us to set up a non-obligatory appointment to review your therapy program performance.

914-631-9020