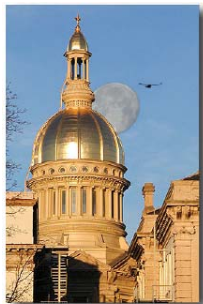


AHCA provides some answers to questions about sequestration

Following on the heels of the United States Congress' failure to pass a law amending scheduled federal spending cuts known collectively as sequestration, these cuts became effective March 1, 2013. Since these funding reductions apply across the board to all federal funding, they will, among other things, impact the level of Medicare reimbursement provided to nursing facilities under Part A and other providers under Part B of Medicare benefits. In New Jersey nearly 20 % of nursing facility

revenue comes from Medicare and thus these cuts will have a significant impact of the funds available to nursing facilities that take care of the sickest residents. Given the historical role of Medicare as a cross-subsidizer of anemic Medicaid funding, this latest reduction is especially significant. In New Jersey it will mean Medicare funds to nursing facilities will be reduced by approximately \$37.5 million in FFY 2014.

Elise Smith, Vice President of Finance, Policy and Legal Affairs for the American Health Care Association has written an excellent summary of this issue, an edited version of which follows below:



News from the State House

Unused prescription drug repository bill in as State Budget review begins

Since *News from the State House* did not appear in last month's newsletter in order to focus instead on the Governor's proposed FY 2014 State Budget, it is time to report on other recent State House activities important to HCANJ members.

Among the more controversial actions, the Assembly Health and Senior Services Committee voted 7-2 with two abstentions to release the "New Jersey Death with Dignity Act," Assembly Bill 3328. Subject to voter approval, this legislation would permit a qualified patient to self-administer medication to end their life. Only persons suffering from a medically-confirmed terminal disease from which they are expected to die within six months would be eligible to receive the medication. In order to do

(Continued on Page 4)

The Budget Control Act (BCA) of 2011 requires, among other things, mandatory across-the-board reductions in Federal spending. The American Taxpayer Relief Act of 2012 postponed sequestration for two months. As required by law, President Obama issued a sequestration order on March 1, 2013.

The following are the two most frequently asked questions directed to AHCA staff regarding sequester. They refer to the timing of the sequester and the application of the 2% cut to the RUG categories. As of Thursday March 7, 2013, CMS had not answered these questions directly (although late Friday, March 8, 2013, CMS provided a notice that helps address the timing of sequestration, as set forth in Question #1 below). Our understanding of the application of the sequestration is based on a reading of legislation, the opinion of counsel, and currently-available information.

AHCA will provide all members with up-to-date information as it becomes available.

(Continued on Page 4)

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Camera-ready advertising is accepted for Health Care Update. Deadline for submission is the 15th of the month prior to publication. Rates: Full Page \$500, Half Page (horizontal or vertical) \$300, Quarter Page \$175.

As a Membership service, classified advertisements of 75 words or less for positions wanted or available can be placed without charge by HCANJ members for two consecutive months.

For further information contact Pattie Tucker by phone at 609-890-8700 or via e-mail at pattie@hcanj.org.

Testimonial praises HCANJ partner, COMS Interactive LLC

We are pleased to share a strong testimonial for our partner, COMS LLC, by the CommuniCare Family of Companies. Below is the "I Can't Live Without It..." article which is featured in the March issue of McKnight's LTC News.

A couple of notes regarding the article:

- The author, Dr. Wayne, is the Medical Director of CommuniCare and the current President of the American Medical Directors Association (AMDA).
- McKnight's magazine and online news source offers the broadest distribution in the LTC marketplace with over 40,000 subscribers.

COMS Interactive, LLC combines disease management and business administration tools to reduce hospital readmissions and improve resident health. A benefit of its *Daylight IQ* is the ability to increase skilled case mix and enhance revenue.

HCANJ members receive preferred pricing.

I couldn't live without ... COMS Interactive nursing assessments and data monitoring

Comprehensive nursing assessments and data monitoring tools from COMS Interactive provide critical help to the CommuniCare Family of Companies, according to Chief Medical Officer Matthew Wayne, M.D. COMS promotes staff completing a full nursing assessment at least once a day.

"It really does a nice job of integrating frontline nursing assessment into nursing leadership and team discussion. It allows for better communication to our medical team," Wayne says.

COMS also helps with disease management, and in reducing hospital readmissions.

"It augments our clinical care," he says. "It's a supplement to the electronic health record. This is optimal for the care of a complex transitional type of patient."

Wayne says he uses COMS and a separate MDS tool to study hospital returns, and he's seen them drop from around 23% to 15%.

This article can be accessed at:

<http://www.mcknights.com/i-couldnt-live-without-coms-interactive-nursing-assessments-and-data-monitoring/article/282770/>

For more information about COMS Daylight IQ, please contact:

Dan Giannini
Vice President
COMS Interactive, LLC

(330) 650-9900
Mobile: (215) 208-8623
<http://www.comsllc.com>



Upcoming Recognition Dates

APRIL

- National Parkinson's Awareness Month
- National Occupational Therapy Month
8 - 12
- National Patient Advocacy Week
21 - 27
- National Volunteer Week
- Administrative Professionals Week
15 - 21
- National Minority Cancer Awareness Week
7
- World Health Day
16
- National Healthcare Decisions Day
22
- Earth Day
25
- Take Our Daughters and Sons to Work Day

MAY

- Better Hearing and Speech Month
- Employee Fitness and Health Month
- Healthy Vision Month
- National Arthritis Month
- National American Stroke Month
- National Osteoporosis Prevention Month
- National Physical Fitness and Sports Month
- Older Americans Month
6 - 10
- National Hospital Week
6 - 12
- National Nurses Week
12 - 18
- National Nursing Home Week



- 13 - 17
- National Women's Health Week
1
- March of Dimes WalkAmerica
12
- Florence Nightingale's Birthday (1820-1910)
18
- National Employee Health & Fitness Day
29
- National Senior Health & Fitness Day

NURSE SCHOLARSHIP PROGRAM

Please keep in mind that the deadline for applications is April 15.



Congratulations to this year's 100-Hour LNHA Preparation Class! Having successfully completed the course, they are now prepared to take their LNHA exam and we wish them the very best of luck!

MARK YOUR CALENDAR!

15th Annual Assisted Living Conference

Wednesday, May 22, 2013

Sheraton Eatontown

This is the only state conference targeting the specific interests and questions of assisted living administrators and nurses. Watch your mail for details.

Details will be available online soon at:

<http://www.hcanj.org/education>

For further information, please call Carol Rogers - (609) 890-8700.

State House News

(from Page 1)

so, the patient would have to submit a valid request signed and dated by the patient and witnessed by at least two individuals. The legislation contains a provision requiring that if the patient is a resident of a licensed long term care facility, one of the witnesses must be an individual designated by the facility. There is also a provision that permits a health care facility to adopt a written policy to prohibit a health care professional from taking any action pursuant to the legislation on the premises owned by or under the direct control of the facility. The facility would have to give prior written notice of this policy to all health care professionals with privileges to practice on the premises. This legislation is now before the full General Assembly for possible future consideration. HCANJ is remaining steadfastly neutral on this legislation.

Nursing facilities would have to offer health care workers an annual influenza vaccination under another proposal that was recently voted out of the Senate Health, Human Services and Senior Citizens Committee. The legislation, Senate Bill 1464, was amended to clarify that facilities would report the percentage of employees vaccinated either through their own program or elsewhere. The amendment also allows employee attestation of receiving vaccination elsewhere. Because facilities have little control over how many employees are immunized, HCANJ was disappointed to see an additional amendment requiring the reporting of individual facility immunization rates to DOH and public reporting of aggregate individual facility vaccination rates. The bill awaits possible further consideration before the full State Senate.

HCANJ is pleased by the recent introduction of a proposal to establish a prescription drug donation repository program. The legislation, Senate Bill 2615 and Assembly Bill 3964, is the result of months of work by a task force spearheaded by HCANJ and comprised of other health care interests concerned about the huge volume of unused prescription medication disposed of in health care facilities. If enacted, the legislation would allow unused prescriptions to instead be sent to a central repository where they would be inspected and re-dispensed to indigent and uninsured individuals.

With April now upon us, both houses of the Legislature are adjourned for the month to give their respective budget committees time to review Governor Christie's FY 2014 State Budget proposal. Representatives from each State department will appear before these committees to explain their budget request. Meanwhile, HCANJ will press the case for additional money in the budget to more appropriately reimburse those nursing facilities that spend the most on direct patient care as well as for the State's struggling special care nursing facilities.

Sequestration

(from Page 1)

1. Timing: Application to services provided on or after April 1, 2013

Q — Will the 2% sequester reduction apply to claims submitted on or after April 1, 2013 or services provided on or after April 1, 2013?

A — On Friday, March 8, 2013, CMS issued an e-news alert, which we provided to AHCA members, indicating that, in general, Medicare Fee for Service (FFS) claims with dates-of-service or dates-of-discharge on or after April 1, 2013, will incur a 2% reduction in Medicare payment. We believe that the date-of-discharge pertains to hospital inpatient DRG claims, and that the SNF PPS sequestration will apply to dates of service on or after April 1, 2013 (although neither the CMS guidance nor the sequestration statute address this directly). Thus, we expect that providers can split bill for stays that cross over from March to April and bill as they have in the past – billing through month end.

With respect to Part B, claims for dates-of-service on or after April 1, 2013 will be subject to the 2% reduction in Medicare payment.

CMS indicated in its Friday, March 7, 2013 notice that the claims payment adjustment shall be applied to all claims after determining coinsurance, any applicable deductible, and any applicable Medicare Secondary Payment adjustments.

2. Equal application of the rate reduction of 2% across all RUG categories

Q — Will the 2% cut apply to RUG rates equally across all RUG categories?

A — AHCA believes that the 2% cut will be applied evenly across all the RUG rates based on the statutory sequestration language. Specifically, Section 256(d)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177), as amended by Section 302 of the Budget Control Act, of 2011 (BCA, P.L. 112-25), provides that the sequestration reductions applicable to Medicare "...shall be at a uniform rate, which shall not exceed 4 percent [2% under BCA], across all such programs and activities subject to" sequestration.

As is the case with so many issues of late, there are many questions that remain unanswered despite the onus of immediate compliance being placed squarely on the shoulders of providers. With muddling through the order of the day, HCANJ will continue to provide guidance regarding claims and reimbursement impacted by the sequestration provision as more information becomes available.