



RUG IV Best Practices and Current Update
2011 Kairos Education Conference and Exhibit
September 22, 2011

RUG IV Update

- Medicare Updates
 - Friday, July 29, 2011, the Department of Health & Human Services Centers for Medicare & Medicaid Services (CMS) issued the final rule
 - The rule reflects CMS' reaction to recent changes in provider behavior relating to the implementation of the Resource Utilization Groups, Version 4 (RUG-IV) case-mix classification system which led to an unintended spike in payments

RUG IV Update

- Reduces the Medicare Skilled Nursing Facility (SNF) Prospective Payment System (PPS) payments for FY 2012
 - Reduction of **\$3.87 billion** or
 - **11.1% lower** than FY 2011

RUG IV Update

- Rationale for the payment reductions:
 - Overpayments from the planned budget neutral
 - Therapy utilization changes from expected
 - RUG IV reimbursement budget based on historical data of therapy utilization
 - Rehabilitation RUG classification reimbursements significantly exceeded budgeted dollars

RUG IV Update

- Therapy utilization changes included:
 - Concurrent < 5%
 - Significant increase in individual and group services
 - Pattern changes to include individual therapy treatments during the assessment look back periods only

RUG IV Update

RUG IV Group	Projected	Actual
RUC	3.56%	12.68%
RUB	3.26%	16.19%
RUA	2.12%	12.80%
RVC	5.49%	7.82%
RVB	7.17%	9.67%
RVA	8.61%	9.13%
RHC	6.34%	3.77%
RHB	7.09%	3.54%
RHA	11.41%	3.54%
RMC	4.95%	3.06%
RMB	6.84%	2.42%
RMA	8.74%	2.41%
RLB	0.21%	0.07%
RLA	0.23%	0.06%

RUG IV Update

- SNF PPS Assessment Schedule Changes
 - Elimination of the overlapping look back periods
 - Reduces the same information being used
 - Assessment reference dates scheduled on or after October 1, 2011 will use updated schedule
 - When October 1, 2011 is Day 19, 34, 64, or 94 of the stay, assessments should be completed by September 30 or the assessments will be considered late and payment penalties will apply

RUG IV Update

Medicare Assessment	Reason For Assessment	Assessment Reference Date Window	Assessment Reference Date Grace Days	Applicable Medicare payment Days
5 Day	01	Days 1 – 5	Days 6 - 8	1 through 14
14 Day	02	Days 13 – 14	Days 15 – 18	15 through 30
30 Day	03	Days 27 – 29	Days 30 – 33	31 through 60
60 Day	04	Days 57 – 59	Days 60 – 63	61 through 90
90 Day	05	Days 87 - 89	Days 90 - 93	91 through 100

RUG IV Update

Current Assessment Schedule

Medicare Assessment	Reason For Assessment	Assessment Reference Date Window	Assessment Reference Date Grace Days	Applicable Medicare payment Days
5 Day	01	Days 1 – 5	Days 6 - 8	1 through 14
14 Day	02	Days 11 – 14	Days 15 – 19	15 through 30
30 Day	03	Days 21 – 29	Days 30 – 34	31 through 60
60 Day	04	Days 50 – 59	Days 60 – 64	61 through 90
90 Day	05	Days 80 - 89	Days 90 - 94	91 through 100

RUG IV Update

- Allocation of Group Therapy
 - Defined as therapy services provided simultaneously to 4 residents
 - Residents must be performing the same or similar activities
 - Group therapy minutes coded on the MDS assessments in section O will take therapists time and divide by 4
 - 25% cap per discipline will be applied to the reimbursable group minutes

RUG IV Update

- Therapy documentation must include justification for use of group therapy as opposed to concurrent or individual
- Group therapy must be included in the plan of care

RUG IV Update

- End of Therapy OMRA (EOT OMRA)
 - Always required when:
 - Achieved rehabilitation RUG classification
 - All therapy treatment services are ending
 - Resident continues to be skilled for clinical criteria
 - Assessment reference date (ARD) **MUST** be scheduled on days 1, 2 or 3 following the last day when therapy minutes were provided
 - Reimbursement change occurs on first day without therapy minutes

RUG IV Update

- Effective October 1 any time resident misses 3 consecutive days of therapy – regardless of reason – this assessment required
 - October 1, 2011 is a Saturday, this day should be counted as a day of missed therapy if a resident does not receive any therapy services on that day

RUG IV Update

- End of therapy Resumption OMRA (EOT-R OMRA)
 - Initiates with the policy and procedure for the EOT OMRA
 - If resident were to start back into therapy services, Start of Therapy OMRA (SOT OMRA) would be required or
 - Can wait until the next scheduled MDS assessment to achieve rehabilitation RUG

RUG IV Update

- Beginning FY 2012 with assessments with an ARD on or after October 1, 2011:
 - Can still follow current procedure OR
 - Complete items O0450A and O0450B (added MDS items) on the EOT OMRA assessment
 - No SOT OMRA will be required
 - Therapy must resume within 5 calendar days from last day with therapy minutes AND must resume at the same rehabilitation RUG level

RUG IV Update

- Change of Therapy OMRA (COT OMRA)
 - Effective October 1, 2011 for all MDS assessments with ARD on or after 10/1/11
 - Required when rehabilitation therapy level of service is not the same as the rehabilitation level of service achieved for the ARD during the “COT observation period”
 - COT observation period is the successive 7 days beginning the day after the ARD when the RUG was rehabilitation and resident remains in therapy

RUG IV Update

- Revised therapy student supervision
 - Effective for FY 2012, October 1, 2011
 - Therapy students providing skilled therapy services in SNFs are no longer required to be under line-of-sight supervision
 - SNFs are still expected to exercise their discretion regarding the level of supervision a particular student may require

RUG IV Best Practices

- Best Practices
 - Evaluation of assessment office staffing
 - Additional assessments implemented October 1, 2010 and current October 1, 2011 additional assessments and monitoring
 - Redistribute clerical tasks being completed by assessment nurses

RUG IV Best Practices

- Medical Record Documentation
 - Evaluate current practices
 - Reveals resources used in care and services
 - Timely – at least daily
 - Demonstrates skilled level of care
 - Educate
 - Forms vs. narrative

RUG IV Best Practices

- Communication
 - Educate case management team
 - Evaluate meetings
 - Daily/morning meetings
 - Weekly meetings
 - Attendance
 - Agenda
 - Effective and efficient

Thank You!

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