

FY 2012 Medicare Changes

MDS 3.0 Assessment Schedule effective October 1, 2011

Mcare MDS assessment type	Reason for assessment (A03010B)	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

SNF FY 2012 Payment Rate Update

FY 2012 rates include a market basket increase of 2.7 percent. Rates for 2012 do not include a forecast error adjustment. The market basket is reduced by 1 percent due to a productivity adjustment. Therefore 2012 rates are increased by a net market basket of 1.7 percent.

Case mix parity adjustment

A parity adjustment was made to the RUG-IV case mixes for FY2011 to ensure that estimated total payments under the RUG-IV model would be equal to those payments that would have been made under the 53-group RUG-III model that it replaced. Instead, the parity adjustment triggered a significant increase in overall payment levels under the RUG-IV model, representing substantial overpayments to SNFs in FY 2011.

For FY2012, the case mixes for the RUG-IV therapy groups are being adjusted to restore payments to their intended levels. This adjustment may decrease total payments to SNFs by \$4.5 billions for FY 2012.

Therapy Student Supervision

Effective October 1, 2011, line-of-sight supervision will no longer be required in the SNF setting, instead, each SNF would determine for itself the appropriate manner of supervision of therapy students consistent with applicable State and local laws and practice standards.

Group Therapy

Effective October 1, 2011, group therapy will be defined as therapy provided simultaneously to four patients who are performing the same or similar activities, and group therapy time will be divided by four in determining the reimbursable therapy minutes for each group therapy participant and the appropriate RUG-IV group.

End-of-Therapy - EOT OMRA

Effective October 1, 2011, and EOT OMRA will be required for a patient classified in a RUG-IV therapy group if the patient is not furnished any therapy services for 3 consecutive calendar days, regardless of whether the facility is a 5-day or 7-day facility.

End-of Therapy Resumption - EOT-R OMRA

Effective for services provided on or after October 1, 2011, when an EOT OMRA has been completed and therapy subsequently resumes, SNFs may complete an End-of-Therapy-Resumption (EOT-R) rather than an 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.

The EOT-R OMRA is not a new assessment type. It is an EOT OMRA with two additional items (O0450A and O0450B) to indicate whether therapy is expected to resume and the date of resumption of therapy.

Change of Therapy - COT OMRA

Effective for services provided on or after October 1, 2011, SNFs will be required to complete a Change of Therapy (COT) OMRA, for patients classified into a RUG-IV therapy group, whenever the intensity of therapy (that is, the total RTM delivered or other therapy category qualifiers, such as the number of days the patient received therapy during the week or the number of therapy disciplines) changes to such a degree that it would no longer reflect the RUG-IV classification and payment assignment for a given SNF resident based on that resident's most recent assessment used for Medicare payment.

The COT OMRA would be a new type of required PPS assessment. The ARD of the COT OMRA would be set for Day 7 of a COT observation period, which is a successive 7-day window beginning on the day following the ARD set for the most recent scheduled or unscheduled PPS assessment (or beginning the day therapy resumes in case where an EOT_R OMRA is completed), and ending every 7 calendar days thereafter.