

**TRANSITION
from
RUG-III to RUG-IV
UNDER SNF PPS**

August 24, 2010

Agenda

- Introduction
- Key Concepts
- Options
- SNF PPS Policies
- Reminders

INTRODUCTION

Introduction₁

- The transition applies only to SNF PPS assessments
- Providers must complete all OBRA required assessments according to OBRA schedule

Introduction₂

- Presumption of Coverage remains in effect
 - Up to day 8 of the SNF stay or ARD of the 5-day assessment, whichever occurs **first**
- Default payment exceptions remain in effect for allowed circumstances
 - Examples:
 - Resident discharged during first 8 days of stay
 - Late assessment - default up to ARD

Introduction₃

- Transition applies to only those residents who have covered Part A days in September **and** October 2010
 - o When RUG assignment from one SNF PPS assessment covers days in September **and** October

Introduction₄

- RUG-III can be calculated from MDS 2.0 and MDS 3.0
- RUG-IV can't be calculated from MDS 2.0
 - Require MDS 3.0 to calculate RUG-IV
- Assessments will be rejected
 - MDS 2.0 ARD 10/01/10 or later
 - MDS 3.0 ARD 09/30/10 or earlier

Introduction₅

- In order to receive payment for covered days in September 2010 must have a RUG-III
 - o MDS 2.0 or MDS 3.0
- In order to receive payment for covered days in October 2010 must have a RUG-IV
 - o Need an MDS 3.0

Introduction₆

- Options
 - o May opt for default payment under specific circumstances (in addition to current policy)
 - o May opt to complete MDS 2.0 and MDS 3.0 same type – MDS 2.0 in September and MDS 3.0 early October
 - o May opt to “substitute” MDS 3.0 for previous type of MDS 3.0
 - o May opt to “substitute” MDS 3.0 for same type of MDS 2.0

Introduction₇

- Transition does not apply
 - o When payment ends 09/30/10 or sooner
 - Medicare stay ends 09/30/10 or sooner
 - SNF PPS payment for assessment ends 09/30/10
 - o When payment begins 10/01/10 or later
 - Medicare care stay begins 10/01/10 or later
 - SNF PPS payment for assessment begins 10/01/10

Introduction₈

- Transition does not apply
 - o Medicare Start Dates
 - 07/03/10 => Day 90, 9/30 is last paid day for 60-day
 - 08/02/10 => Day 60, 9/30 is last paid day for 30-day
 - 09/01/10 => Day 30, 9/30 is last paid day for 14-day
 - 09/17/10 => Day 14, 9/30 is last paid day for 5-day
 - o **Must** have MDS 2.0 for September payment days and MDS 3.0 for October payment days

KEY CONCEPTS

Key Concepts₁

- Transition does **not** apply:
 - o Residents whose last paid Part A day is 09/30/10 and earlier
 - Only MDS 2.0 and RUG-III
 - o Residents with Medicare start date (A2400B) 10/01/10 and later
 - Only MDS 3.0 and RUG-IV
 - MDS 2.0 with ARD 10/01/2010 or later is not valid and will be rejected

Key Concepts₂

- Must know RUGs/payment rates for the resident in order to make decisions that will optimize reimbursement
 - o RUG-III group & associated payment (MDS 2.0 and MDS 3.0)
 - o RUG-IV group & associated payment (MDS 3.0)

Key Concepts₃

- When MDS substitution is an option, the decision should be made case-by-case based on consideration of RUG-III vs. RUG-IV payment differential
 - o ARD selection impacts the assigned RUG
 - o SNF PPS policies may impact decision, for example:
 - MDS 3.0 - short stay policy
 - MDS 2.0 – section T

Key Concepts₄

- Transition decision applies:
 - o When last paid day for Medicare Part A is 10/01-10/04/10
 - o When resident has paid days in September and October based on the same assessment

DEFAULT

10/01/10 – 10/04/10 Discharges

Default

- When a resident Part A stay ends 10/01/10 – 10/04/10
 - o May opt to not complete applicable PPS assessment
 - o Required to complete discharge assessment (OBRA rules apply)
 - o Expectation is that this will be rare event

OPTION 1

No Substitution

No Substitution

- Provider does not substitute MDS 3.0 for MDS 2.0 or MDS 3.0
 - o MDS 2.0(x) – RUG-III covers September days for applicable payment window
 - o MDS 3.0(x) – RUG-IV covers October days for applicable payment window
 - o MDS 3.0(y) – RUG-IV covers remaining October days for applicable payment window when resident remains skilled

No Substitution - ARD Rules₁

- MDS 2.0(x):
 - o Earliest date = day allowed for assessment window
 - o Latest date = day allowed for assessment window or 9/30, whichever is first
- MDS 3.0(x):
 - o Earliest = 10/01
 - o Latest = see form

No Substitution - ARD Rules₂

- MDS 3.0 (y):
 - o Only require assessment when resident remains skilled
 - o Earliest = 10/02 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/03 or later
 - o Earliest ARD may not be sooner than ARD for MDS 3.0(x)
 - o Latest = day ARD allowed for assessment window

No Substitution – Example 1₁

- Example 1
 - o Medicare Start Date 09/27/2010
 - o 5-day covers 09/27 – 10/10 (14 days)
 - Need RUG-III for 09/27 – 09/30
 - Need RUG-IV for 10/01 – 10/10
 - o 14-day covers 10/11 – 10/26
 - Need RUG-IV
 - Only when resident remains skilled

No Substitution – Example 1₂

- o MDS 2.0 5-day
 - ARD 09/27 – 09/30
 - Covers paid days 09/27 – 09/30 (4 days)
- o MDS 3.0 5-day
 - ARD 10/01 – 10/05
 - Covers paid days 10/01 – 10/10 (10 days)
- o MDS 3.0 14-day
 - ARD 10/07 - 10/15
 - Only when resident remains skilled

No Substitution – Example 2₁

- Example 2
 - o Medicare Start Date 09/12/2010
 - o 14-day covers 09/26 – 10/11 (16 days)
 - Need RUG-III for 09/26 – 09/30
 - Need RUG-IV for 10/01 – 10/11
 - o 30-day covers 10/12 – 11/10
 - Need RUG-IV
 - Only when resident remains skilled

No Substitution – Example 2₂

- o MDS 2.0 14-day
 - ARD 09/22 – 09/30
 - Covers paid days 09/26 – 09/30 (5 days)
- o MDS 3.0 14-day
 - ARD 10/01 – 10/03
 - Covers paid days 10/01 – 10/11 (11 days)
- o MDS 3.0 30-day
 - ARD 10/02 - 10/15
 - Only when resident remains skilled for payment period

No Substitution – Considerations

- Completing 2 assessments for one payment period
 - o MDS 2.0 for September days and MDS 3.0 for October days
 - o Continue with schedule when resident remains skilled (MDS 3.0)
- All covered days will have RUG assigned based on an assessment
 - o Avoids risk of not having an assessment (no payment) or late assessment (default)

OPTION 2
MDS 3.0 for MDS 3.0

Substitute MDS 3.0 for MDS 3.0

- Complete MDS 2.0 and next required MDS 3.0 type as substitute for same MDS 3.0
 - o MDS 2.0(x) – RUG-III covers September days for applicable payment window
 - o MDS 3.0(y) – RUG-IV covers October days for applicable payment window and October days for prior assessment window

Substitute MDS 3.0 for MDS 3.0 - ARD Rules₁

- Provider completes MDS 2.0 for September days and next MDS 3.0 for October days
- MDS 2.0(x):
 - o Earliest date = day allowed for assessment window
 - o Latest date = day allowed for assessment window or 9/30, whichever is first

Substitute MDS 3.0 for MDS 3.0 - ARD Rules₂

- MDS 3.0(y):
 - o Earliest = 10/01 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/02 or later
 - o Latest = day ARD allowed for assessment window

Substitute MDS 3.0 for MDS 3.0 - Example 1₁

- Example 1
 - o Medicare Start Date 09/27/2010
 - o 5-day covers 09/27 – 10/10 (14 days)
 - Need RUG-III for 09/27 – 09/30
 - Need RUG-IV for 10/01 – 10/10
 - o 14-day covers 10/11 – 10/26 (16 days)
 - Need RUG-IV

Substitute MDS 3.0 for MDS 3.0 - Example 1₂

- o MDS 2.0 5-day
 - ARD 09/27 – 09/30
 - Covers paid days 09/27 – 09/30 (4 days)
- o MDS 3.0 14-day
 - ARD 10/07 - 10/15
 - Covers paid days 10/01 – 10/26 (26 days)

Substitute MDS 3.0 for MDS 3.0 – Example 2₁

- Example 2
 - o Medicare Start Date 09/12/2010
 - o 14-day covers 09/26 – 10/11 (16 days)
 - Need RUG-III for 09/26 – 09/30
 - Need RUG-IV for 10/01 – 10/11
 - o 30-day covers 10/12 – 11/10 (30 days)
 - Need RUG-IV

Substitute MDS 3.0 for MDS 3.0 - Example 2₂

- o MDS 2.0 14-day
 - ARD 09/22 – 09/30
 - Covers paid days 09/26 – 09/30 (5 days)
- o MDS 3.0 14-day
 - ARD 10/02 - 10/15
 - Covers paid days 10/01 – 11/10 (41 days)

Substitute MDS 3.0 for MDS 3.0

- Considerations

- Completing 2 assessments
 - MDS 2.0 for September days
 - MDS 3.0 for 'early' October (remaining 2.0 window) and October/November days for associated assessment
- All covered days may not have a RUG
 - If resident is discharged after 10/01 and before allowed ARD of MDS 3.0
 - Discharge date becomes the ARD of **early** MDS 3.0 assessment

OPTION 3

MDS 3.0 for MDS 2.0

Substitute MDS 3.0 for MDS 2.0

- Do not complete MDS 2.0
- Complete required MDS 3.0 for required MDS 2.0
 - MDS 3.0(x) – RUG-III covers September and October days for applicable payment window
 - MDS 3.0(y) – RUG-IV covers October days for applicable payment window

Substitute MDS 3.0 for MDS 2.0 - ARD Rules₁

- MDS 3.0(x):
 - o Earliest = 10/01
 - o Latest = see form

Substitute MDS 3.0 for MDS 2.0 - ARD Rules₂

- MDS 3.0(y):
 - o Earliest = 10/02 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/03 or later
 - o Earliest ARD may not be sooner than ARD for MDS 3.0(x)
 - o Latest = day ARD allowed for assessment window

Substitute MDS 3.0 for MDS 2.0 – Example 1₁

- Example 1
 - o Medicare Start Date 09/27/2010
 - o 5-day covers 09/27 – 10/10 (14 days)
 - Need RUG-III for 09/27 – 09/30
 - Need RUG-IV for 10/01 – 10/10
 - o 14-day covers 10/11 – 10/26
 - Need RUG-IV
 - Only when resident remains skilled for that payment period

Substitute MDS 3.0 for MDS 2.0 – Example 1₂

- o MDS 3.0 5-day
 - ARD 10/01 – 10/05
 - Covers paid days 09/27 – 10/10 (14 days)
 - RUG-III 09/27 – 09/30 (4 days)
 - RUG-IV 10/01 – 10/10 (10 days)
- o MDS 3.0 14-day
 - ARD 10/07 - 10/15
 - Only when resident remains skilled for payment period

Substitute MDS 3.0 for MDS 2.0 – Example 2₁

- Example 2
 - o Medicare Start Date 09/12/2010
 - o 14-day covers 09/26 – 10/11 (16 days)
 - Need RUG-III for 09/26 – 09/30 (5 days)
 - Need RUG-IV for 10/01 – 10/11 (11 days)
 - o 30-day covers 10/12 – 11/10
 - Need RUG-IV
 - Only when resident remains skilled for that payment period

Substitute MDS 3.0 for MDS 2.0 – Example 2₂

- o MDS 3.0 14-day
 - ARD 10/01 – 10/03
 - Covers paid days 09/26 – 10/11
 - RUG-III 09/26 – 09/30 (5 days)
 - RUG-IV 10/01 – 10/11 (11 days)
- o MDS 3.0 14-day
 - ARD 10/02 - 10/15
 - Only when resident remains skilled for payment period

Substitute MDS 3.0 for MDS 2.0

- Considerations

- Completing 1 assessment for one payment period
- All covered days may not have a RUG
 - If resident is discharged before 10/01 **and** after the allowed ARD for MDS 2.0
 - Discharge date becomes the ARD of late MDS 2.0 assessment => default

SNF PPS POLICIES

SNF PPS Policies₁

- Short stay policy
 - o Effective w/ Medicare end date (A2400C) 10/01/10 and later
 - o Must meet criteria

SNF PPS Policies₂

- End of therapy
 - o The following applies when last day of therapy provided is in September:
 - 09/20/10 and earlier
 - Must complete MDS 2.0 OMRA
 - Must complete MDS 3.0 as 'opted'
 - 09/21 and 09/22
 - option to complete MDS 2.0 OMRA or MDS 3.0 EOT OMRA
 - Must complete MDS 3.0 as 'opted'
 - May combine MDS 3.0 assessments

SNF PPS Policies₃

- End of therapy
 - o The following applies when last day of therapy provided is in September:
 - 09/23 – 09/28
 - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10
 - Must complete MDS 3.0 as 'opted'
 - May combine MDS 3.0 assessments

SNF PPS Policies₄

- End of therapy
 - o The following applies when last day of therapy provided is in September:
 - 09/29
 - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10 – 10/02/10
 - 09/30
 - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10 – 10/03/10
 - 09/29 and 09/30
 - Must complete MDS 3.0 as 'opted'
 - May combine MDS 3.0 assessments

SNF PPS Policies₅

- Start of therapy
 - When earliest therapy start date is 09/25 – 09/30 and resident is **not** assigned into a Rehabilitation category, may complete optional SOT OMRA
 - ARD must be 10/01/10 or later as per requirements
 - Payment will begin 10/01/10

REMINDERS

REMINDERS₁

- Transition only applies to SNF PPS
- Transition options only apply to those residents who have covered Part A days in September and October 2010
 - o When RUG assignment from one SNF PPS assessment covers days in September **and** October
- Substituting an assessment with an MDS 3.0 PPS assessment is **OPTIONAL**

REMINDERS₂

- **Must** adhere to MDS 3.0 coding instructions when completing MDS 3.0
 - o Apply appropriately when 'looking back' into September
- Exercising option to substitute an assessment is not to be considered an extension of presumption of coverage

Questions