

Eli's Rehab Report

Medicare Part A: Are You on Top of the SNF PPS Final Rule?

Experts predict 2 potential effects of group therapy revisions.

In the SNF PPS final rule, CMS says it projects that "aggregate payments for FY 2012 will decrease by 11.1 percent, assuming that facilities do not change their care delivery and billing practices in response."

The rate decline comes from a recalibration of the rehab RUGs, says **Steve Jones, CPA**, director of the SNF practice group at Moore Stephens Lovelace, PA, in Clearwater, Fla.

Reason for recalibration: In formulating the final rule, "CMS had eight months of RUGs data and it confirmed that [SNF] days were more skewed towards the highend rehab categories (as indicated in its earlier data) than originally anticipated," says Jones, director of the SNF practice group at Moore Stephens Lovelace, PA, in Clearwater, Fla. Also, "CMS got blasted by both MedPAC (again), and the OIG for the FY 2011 'overpayments,'" he adds. "The combined multi-factor-adjusted market basket increase and the FY 2012 recalibration will yield a net reduction of \$3.87 billion, or 11.1 percent," CMS says in a press release on the rule.

"It's SNFs getting the parity adjustment, but we don't know the impact that this will have on therapy jobs," says **Cynthia Morton**, executive VP with the National Association for the Support of Long Term Care, which represents therapy companies.

That's not all: On Oct. 1, the SNF PPS final rule implements the Change of Therapy OMRA. In the rule, CMS stresses that SNFs only have to do a COT OMRA "if the intensity of therapy changes to such an extent that the patient's RUG classification, based on their last PPS assessment," no longer accurately represents the "patient's current clinical condition."

Reasoning: "Other than medical reviews, CMS has had no way of really knowing that SNFs dropped their therapy minutes outside of the observation periods. That's why they came up with the COT OMRA," observes **Pauline Franko, PT, MCSP**, principal of Encompass Education & Consulting in Tamarac, Fla. "The COT assessment works both ways," however, says Franko. "It also addresses situations where a patient needs another therapy discipline or more minutes for whatever reason," she points out. Currently, "a facility doesn't get paid for that, unless the patient requires a significant change assessment."

On the other hand: "If facilities decreased therapy during any of the assessment periods (which is considered to be a best practice), then the facility will see a decline in reimbursement ...," observes **Betsy Anderson**, VP with FR&R Healthcare Consulting in Deerfield, Ill.

Morton tells Rehab Report that NASL is "particularly concerned about the COT OMRA. We feel it changes the nature of PPS more toward fee-for-service," she says. "If CMS wants to move to fee-for-service, then let's move to that." Morton also notes that "the new required assessments will place an unnecessary burden on therapists to complete all the paperwork."

New Group Therapy Rules, Too

As of Oct. 1, the final rule defines "group therapy... as therapy provided simultaneously to four patients ... performing the same or similar activities."

Also: CMS will divide the group therapy time "by four in determining the reimbursable therapy minutes for each group therapy participant and, therefore, the appropriate RUG--"IV group," the rule states.

"Because of the change in billing (dividing all of the group therapy session's minutes by four for each participant), group therapy minutes are now essentially the same as individual therapy," observes Anderson. In fact, if a group therapy session is scheduled for four participants and only three are available, the time provided for those participants must still be divided by four, making it less efficient than individual therapy."

Also: "Facilities that provided significant amounts of group therapy will either need to hire additional therapists or [they will] see a decrease in their RUGs rates," Anderson adds.

The changes to group therapy could "significantly reduce the amount of group used -- even though group has clinical benefits," predicts **Kate Brewer, PT, MBA, GCS, RAC-CT**, who is VP of Greenfield Rehabilitation Agency in Greenfield, Wis.