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MDS Alert

Are Your MDS Assessments Cutting Residents Out Of Higher Paying RUGs?

They won't if you strategically set the ARD.

If your facility automatically sets the assessment reference date (ARD) for Medicare MDS assessments, you're no doubt providing some services for less money than you should be, which was never the intent of the PPS.

Under Medicare, nursing facilities have from day 1 through day 8 to set the ADR on the first assessment, which includes three grace days. But some facilities just do all of the 5-day MDSs on day 5, which means they aren't capturing some residents' actual use of therapies for the highest paying rehab RUGs, or hospital treatments for the extensive services RUGs.

According to prospective payment system rules, facilities can use grace days for the ARD to capture the most minutes of therapy or the highest reimbursable RUG category, notes **Marilyn Mines**, a nurse consultant with **FR&R Healthcare Consulting** in Deerfield, IL. "But facilities should not use the grace days routinely - only to obtain fair reimbursement in a particular case," she adds.

How would that work? Say the therapy department projects a newly admitted resident will receive 90 minutes of therapy a day (60 minutes of physical therapy and 30 minutes of occupational therapy). But once therapists begin working with the patient, they realize he needs another 30 minutes of speech therapy a day to work on cognitive issues and swallowing. "That's where you can use your grace days to ensure the resident receives the minutes of actual therapy to qualify for very high or ultra high rehab," says **Jan Stewart**, a nursing consultant with **QUnique Corporation** in Caroll Valley, PA.

Or maybe the patient is admitted Friday evening and therapy doesn't start until Monday, which means you've lost three days in the countdown for capturing services. In that case, if you project the resident will fall into very high rehab and you set the ADR at day 8, the resident could actually receive enough minutes of therapy to qualify.

Move the Assessment Window Forward

Facilities may also move the ARD forward to get a higher acuity resident into an appropriately paying RUG. If you don't consider day 1 or day 2 as an ARD, you might miss the IV meds (14-day lookback) or IV feeding (7-day lookback) that the resident received in the hospital, which would skill him under the presumption of coverage rule.

For example, "a hospitalized resident who is very sick with infections and pneumonia may have received an IV antibiotic that was stopped 10 days before admission to the SNF," notes **Cheryl Field**, director of clinical and reimbursement services for **LTCQ Inc.** in Lexington, MA. And if you set the ARD on day 5, those IV meds won't show up on the MDS.

"Even so, the facility will still be monitoring the resident to look for signs that the infection has returned, but will have lost an opportunity to receive payment for the higher RUG category," Field cautions.

Facilities may also want to move the ARD up to capture services in subsequent assessments, adds **Cindy MacQuarrie**, a nurse and reimbursement specialist with **BKD LLP** in Kansas City, MO.

Navigate RUGs-based Medicaid

"Facilities in RUGs-based Medicaid systems also need to strategically perform assessments to capture the resident's

highest acuity level/service use, says **Patricia Boyer**, a reimbursement consultant with **BDO Seidman** in Milwaukee.

Many facilities follow a set system for doing the MDS on the 80th or 88th day from the last assessment without looking at how to capture the best clinical picture of the resident for payment purposes, which is legitimate to do, Boyer advises.

For example, say a resident received cancer chemotherapy or a blood transfusion during the last few weeks of the month and the MDS is not due until the end of the next month. "In that case, you may want to adjust the ARD to reflect the services received by the resident," McQuarrie suggests.