

MDS Alert

Compliance Trends: Beware RAC Scrutiny of These 2 Rehab-Related Areas in SNFs

Put this HHS OIG report on your radar screen.

If you've been hoping that the Recovery Audit Contractors would remain quiet on the SNF front, don't bank on it.

Bottom line: "SNFs have tremendous risk with respect to the RAC program on the Medicare side -- and particularly related to RUG rate assignment in the arenas of intensive therapy," says **Nancy Beckley**, principal of a rehab compliance consulting firm in Glendale, Wis.

"The OIG release a report recently suggesting SNFs are coding people inappropriately at a higher rehab RUG rate" that isn't supported by documentation in the medical record, says Beckley.

Ultra-high, ADL scores a focus: The December 2010 OIG report specifically noted that "the percentage of RUGs for ultra high therapy increased from 17 to 28 percent" during that two year timeframe. And "the percentage of RUGs with high ADL scores increased from 30 percent in 2006 to 34 percent in 2008." The OIG notes that a change in the Medicare SNF population can't explain the increased utilization. The patients' ages and diagnoses upon SNF admission remained "largely unchanged from 2006 to 2008." (Read the full report at <http://oig.hhs.gov/oei/reports/oei-02-09-00202.pdf>.)

Time to Look at Untimed Codes

Part B therapy untimed codes pose another area of risk, says Beckley. Each RAC has posted untimed codes as an issue, which means CMS has approved it for review and recoupment, she notes.

"CMS therapy documentation requirements specify that service-based codes are untimed codes and may be billed for only one unit irrespective of the time spent on the service," Beckley says. And "if the RACs see more than one unit of an untimed code has been billed -- and reimbursed, which is the operative word -- the RACs will issue a demand letter for the overpayment to be recouped by your Medicare intermediary."

Watch out: "We are seeing problems where RACs are interpreting the application of untimed codes in error," says Beckley. They claim that you aren't supposed to bill two different untimed codes on the same day. But "there's no prohibition against billing for two different untimed codes."