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MDS Alert

Healthcare Reform: Get Up to Speed With These Key Provisions in the Healthcare Reform Legislation

Beware: A tighter Medicare billing timeline is already in effect.

The healthcare reform legislation includes several measures that affect nursing home payment and compliance. Here's what you need to ramp up for now and beware of inthe future.

Top priority: "The reform legislation puts a 12-month limit on Medicare fee-for-service billing," says **Betsy A nderson,** VP at FR&R Healthcare Consulting in Deerfield, Ill. Based on the new law, "claims for services furnished on or after Jan. 1, 2010, must be filed within one calendar year after the date of service," states CMS in a notice (www1.cms.gov/prospmedicarefeesvcpmtgen/downloads/Health_Reform_Timely_Filing_Provider_Notice.pdf). "Under the previous rules, a provider might have anywhere from 15 to 26 months to file a claim depending on the dates of services," says **Victor Kintz, MBA, CHC, LNHA, RAC-CT, CCA,** managing director of operations for The Polaris Group based in Tampa, Fla. The healthcare reform law, however, "mandates that claims for services furnished before Jan. 1, 2010, must be filed no later than Dec. 31, 2010," states CMS. This includes claims that extend back as far as October 2008.

Update Your S ystems

To deal with the quicker billing timeline mandated by the new law, "SNFs are really going to have to tighten up their admissions process,"Anderson urges. Staff will have to "get the right information and populate the system at admission with all the proper insurance payers." That includes identifying people who are on Medicare Advantage or where Medicare is their secondary payer, she adds.

Also: "SNFs used to look at their billing on an annual basis in the last quarter of the year to identify what hadn't been billed but still met the timely filing deadlines," Anderson notes. But now "they should look at this every month ... Otherwise, they may [run out of time to get those claims billed]."

Keep an eye out: The reform bill states that "the [HHS] Secretary may specify exceptions to the one calendar year period," but there's no word yet as to what scenarios might qualify for exceptions.

Prepare for Expanded RACs, Mandatory Corporate Compliance Programs

The federal healthcare revamp also extends the RACs' authority to Medicare Part C and D and Medicaid (currently RACs only review Medicare fee-for-service Part A and Part B claims). The legislation "is going to give the RACs the ability to cross-over to dual eligibles (Medicare-Medicaid recipients) and look at coding errors that way," predicts Anderson. "The regulatory pieces will have to be put in place -- it remains to be seen as to how it's going to be implemented."

The reform bill also requires SNFs to implement a corporate compliance program, which has always been voluntary, says Anderson. "Once CMS puts out the regulation for that, SNFs will have a three-year time-frame to put their compliance plan together," she adds.

"Most facilities that have already implemented [compliance] programs will simply have to review the statute and the forthcoming regulations to make sure their programs fit the requirements," says attorney **Ari Markenson,** with Benesch Friedlander Coplan & Aronoff LLP in White Plains, N.Y.

Also: "CMS has the option to make the fraud and abuse 'guidance' issued to long term care facilities mandatory," adds attorney **Wayne J. Miller,** with The Compliance Group in Los Angeles, Calif.

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