

MDS Alert

Industry News to Use: Look Out: MMRs Resume Immediately For Part B Therapy

Plus: Why MedPAC wants the SNF PPS to change drastically.

If you have Medicare residents who've exceeded the threshold of \$3,700 in outpatient therapy per calendar year, your Part B reimbursement is in danger.

You've had a reprieve from Medicare Part B Manual Medical Reviews (MMRs) since February 2014, but the **Centers for Medicare & Medicaid Services** (CMS) recently announced that MMRs will resume immediately, according to a Feb. 9 blog posting by **Cyndi Ouellette** for **Harmony Healthcare International** in Topsfield, Mass. As of Jan. 16, CMS has approved the four current Recovery Audit Contractors (RACs) to restart sending Additional Documentation Requests (ADRs).

The MMR process will focus on beneficiaries over the \$3,700 outpatient therapy threshold, and the RACs will send ADRs for claims that met the threshold between March 1, 2014 and Dec. 31, 2014. The review process will involve a sequencing of a series of up to five ADR cycles to clear the 2014 backlog following the pause in the RAC program, according to a Feb. 2 analysis by **Nancy Beckley, MB, MBA, CHC, CEO** of **Nancy Beckley and Associates**, for the RACmonitor.com.

For providers with a low number of claims paid per month, RACs can request more than one month's worth of claims in the same ADR, following the ADR guidelines for therapy reviews. According to Beckley, the ADR limits will track the current established 45-day cycles in the RAC program and will occur in five phases as follows:

1. The first ADR sent to each provider for MMR will cite the documentation for only one claim.
2. The second ADR can request up to 10 percent of the total number of eligible claims.
3. The third ADR can request up to 25 percent of the remaining eligible claims.
4. The fourth ADR can request up to 50 percent of the remaining eligible claims.
5. The fifth ADR can request up to 100 percent of the remaining eligible claims.

Heads up: "Providers can be assured that CMS intends to review all claims that are above the \$3,700 threshold," Ouellette cautioned. "Understanding the process and managing these inquiries in a timely and detailed manner is critical in order to minimize recoupment of Medicare revenue."

Crucial: If you receive an ADR notice, make sure you read it carefully and pay attention to the dates of service, Ouellette stressed. Ensure that you have all documentation organized in the medical record to streamline the potential review process □ if you don't submit all the required documentation, you could face total denial of the claim.

In Other News ...

Your Medicare Payments are Grossly Inaccurate, MedPAC Claims

Current Medicare's payments to skilled nursing facilities (SNFs) for therapy and non-therapy ancillary (NTA) services haven't been so inaccurate since 2006, according to a report that the **Medicare Payment Advisory Commission** (MedPAC) on Jan. 13.

Despite the **Centers for Medicare & Medicaid Services'** (CMS's) many revisions to the SNF prospective payment system (PPS) since 2006, MedPAC's report cites major flaws in how Medicare pays for SNF services. MedPAC claims that the SNF PPS encourages SNFs to provide rehabilitation therapy services and discourages them from providing drugs and other NTA services.

"Put differently, the payment system contains incentives for facilities to admit rehabilitation patients," MedPAC says. One of the payment system's "key flaws is that it bases the therapy component of the SNF payment on the amount of therapy the SNF chooses to provide to a patient, rather than on the patient's characteristics and clinical need for therapy."

In the report, MedPAC recommends an alternative SNF PPS design, which would base therapy payments on patient characteristics, such as age, diagnoses and mental cognitive abilities, instead of the amount of therapy a patient receives. "These changes would not reduce Medicare's overall payments to SNFs, but would redistribute payments more equitably among providers," MedPAC states.

Link: To read MedPAC's new report, go to www.medpac.gov/documents/reports/january-2015-medpac-and-urban-institute-report-the-need-to-reform-medicare-s-payments-to-skilled-nursing-facilities-is-as-strong-as-ever.pdf.

Take a Peek at the October 2015 MDS Item Sets

On Jan. 29, the **Centers for Medicare & Medicaid Services** (CMS) posted a new version of the MDS item sets □ months before expected.

This version (v1.13.0) will become effective on Oct. 1, 2015, in conjunction with the new version of the data specs (v1.15.0). You should consider these MDS item sets final.

To access the v1.13.0 MDS item sets, go to www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/MDS-3-0-Item-subsets-V1-13-0-for-the-October-1-2015-Release-.zip.