

MDS Alert

MDS & Billing News To Use

MDS-driven RUG overpayments abound, according to an Office of Inspector General (OIG) audit of Skilled Nursing Facilities' Resource Utilization Groups. The report, released in March, projected a potential \$542 million in Medicare overpayments for fiscal 2002 as the result of inaccurate RUG scores based on faulty MDS coding for the 5-day, 14-day and 30-day Medicare-required assessments.

Of all the items on the MDS, the OIG found occupational therapy and physical therapy coded in Section P to cause the most confusion. The agency's report also cites problems with the late-loss ADLs.

The OIG's conclusions come from a random sample of 300 SNF claims submitted between Oct. 1, 2001 and Sept. 30, 2002. The OIG sought to determine how much the RUGs on the SNFs' claims would differ from an independent contractor's calculation of the RUGs based on a separate medical record review. After contractors reviewed documentation in the medical records and calculated their own RUG scores from the evidence, results showed that 26 percent of the RUGs on original claims were different from the ones contractors generated. View the full OIG report at www.oig.hhs.gov/oei/reports/oei-02-02-00830.pdf.

--Have you downloaded the March 2006 RAI manual update? [The changes are mostly minor, including several updated URLs. A change on page 3-242 replaces the word "year" with flu season, as follows: "If the ARD of this assessment or the discharge date of this discharge tracking form is on or after Oct. 1, include the influenza vaccine administered in the facility on or after Oct. 1 of the current flu season."](#)

[Download the update at www.cms.hhs.gov/NursingHomeQualityInits/downloads/MDS20Update200603.pdf](http://www.cms.hhs.gov/NursingHomeQualityInits/downloads/MDS20Update200603.pdf).