

MDS Alert

MDS, Payment & Research News to Use

CMS recently provided a heads up on its plans for managing the legislated RUG-IV delay. In a May 24 update for SNF providers, the Centers for Medicare & Medicaid Services noted that the Patient Protection and Affordable Care Act delays RUG-IV until FY 2012, which starts Oct. 1, 2011. The legislative provision, however, requires CMS to implement two RUG-IV features: the limits on concurrent rehab therapy and elimination of the hospital lookback for payment purposes.

CMS plans to apply "interim payments, effective Oct. 1, 2010, that reflect not only the use of MDS 3.0, but also the new RUG-IV system in its entirety as finalized in the FY 2010 SNF PPS final rule ..." Then once the agency has the "necessary infrastructure in place" for a hybrid RUG-III that incorporates the two RUG-IV provisions mandated by the healthcare reform bill, it will retroactively adjust the SNF payments.

"This approach will allow CMS to make payments with the least disruption for providers and beneficiaries," CMS states. The agency also pointed to legislation pending in Congress designed to repeal the RUG-IV delay. In other words, stay tuned.

Read the update at www.cms.gov/opendoorforums/25_odf_snfltc.asp?