

MDS Alert

Medicare Billing & Payment: Ringing Up Too Many Default Rates? Here's Why

There are only 3 reasons to bill the bottom-rung RUG

Think of Medicare default rates as a fiscal hemorrhage where you need to stem the loss of cash flow.

"The Medicare team should look carefully to identify the reasons a default payment occurred," emphasizes **Claudia Reingruber, CPA**, managing shareholder with **Reingruber & Company Inc.** in St. Petersburg, FL.

A high volume of default rates may signal a lack of support to help you plow through a mile-high stack of MDSs each month. Or the facility may be billing for default rates that the regs don't require it to do. For example, some facilities bill the default rate for regulatory or assessment-related problems that should not affect payment, such as a late transmission to the state or missing signatures on the MDS, Reingruber says.

"You don't have to take an unassigned RUG when you submit an MDS beyond the transmission date - as long as you did the MDS within the designated assessment reference date (ARD) window for the assessment," says **Nancy Augustine, MSN, RN, NHA**, director of quality improvement and risk management for **LTCQ Inc.** in Lexington, MA.

The facility cannot bill Medicare, however, until the MDS is accepted by the state database. "And repeated late transmissions can turn into a survey issue, raising questions about the facility's MDS process," Augustine warns. **Tip:** Make sure the billing department verifies that MDS records have been properly submitted before the facility submits its UB-92s.

Take Default in These 3 Instances

In reality, your facility only has to bill the default rate in these three instances (and even then you may have more leeway than you think):

1. When the assessment reference date (ARD) for the assessment is too early. Say the MDS coordinator selected day 10 as the ARD for the 14-day assessment. That's one day too early, so the facility would bill the default rate for that one day, Reingruber explains.

2. When the ARD for the assessment is too late. The **Centers for Medicare & Medicaid Services** doesn't want nursing facilities to select ARDs retroactively once the assessment window has ended, Reingruber says.

If you're still outside the assessment window for the next MDS, set an ARD and get something for those days - even if the next regularly scheduled Medicare assessment is only a few days away, advises **Diane Atchinson, RN-CS, MSN, ANP**, president of **DPA Associates Inc.** in Kansas City, MO. That way you can at least reduce the number of default days the facility has to bill, adds **Christine Twombly, RN-C**, chief clinical consultant with Reingruber & Company.

Example: Say it's the resident's 30-day Medicare MDS assessment and you realize on day 48 that the assessment slipped through the cracks. "You can still do the assessment with an ARD of day 48 and Medicare will pay you from day 48 until day 60 at the RUG generated by the late assessment," explains Twombly.

3. When the assessment wasn't done at all. Usually the billing office will pick up a missing MDS when they see a HIPPS modifier for a 14-day assessment, for example, and realize there was no 5-day assessment, notes **Marilyn Mines**,

RN, a consultant with **FR&R Healthcare Consulting** in Deerfield, IL.

If you discover that you completely missed doing an MDS and are beyond the days covered by that assessment, the facility has to bill the default rate for that entire billing period.

For example, if you didn't do the 5-day assessment, the facility should bill the 14 days for the missed 5-day assessment with a HIPPS code of AAA00, advises **Jan Zacny, RN**, a consultant with **BKD Inc.** in Springfield, MO.

Make sure to bill the default rate in such cases. Zacny has seen facilities reason, "no MDS, no need to bill." In that case, the SNF gets zip.

Tip: Look for systemic issues that may be causing late or missed assessments. "For example, the MDS coordinator should not have sole responsibility for setting the ARD within the assessment window, or the ball will get dropped when she's absent," cautions **Rena Shephard, MHA, RN, FACDONA**, president of **RRS Healthcare Consulting** in San Diego and chair of the **American Association of Nurse Assessment Coordinators**.