MDS Alert

Medicare: Not Able To Bill Even The Default Rate? Don't Be The One At Fault

Here's what you need to know and do to receive fair payment.

The FY 2009 final SNF PPS and consolidated billing rule spells out dos and don'ts for default-rate billing that leave little room for error, which means you need to get up to speed fast.

The bottom line: SNFs can easily end up holding the bag for a resident's Part A stay if they don't toe the line for keeping up with Medicare-required assessments.

The final rule lists only five scenarios in which the SNF can bill the default rate if the SNF didn't do an MDS (see the article on the next page). Otherwise, the SNF will need an MDS assessment in the state repository in order to bill and receive Medicare payment. If the SNF didn't set the assessment reference date within the assessment window for an MDS, including the grace days -- and the resident is still under the Part A stay -- the team can do a late assessment, setting a current ARD.

Note: If you set the ARD for the late assessment before the end of the payment period for the Medicare-required MDS, the SNF bills the default rate for all covered days up to the ARD, and then uses the HIPPS code established by the late assessment to bill for services on and after the ARD, according to the RAI user's manual. The SNF can't use the late assessment to replace the next regularly scheduled Medicare-required assessment.

Key point: Don't confuse CMS' definition of a late assessment with when you submit the MDS to the state repository. The SNF will get a warning message if it submits the MDS late, but what CMS is looking for in terms of defining a late assessment is whether the ARD is within the window, says **Marilyn Mines, RN, RAC-CT, BC**, manager of clinical services for **FR&R Healthcare Consulting Inc.** in Deerfield, IL.

Know the answer to this question: Suppose you documented the ARD in the medical record when you set it but forgot to do the MDS. Could you go ahead and do the MDS, using the documented ARD within the window to avoid billing the default rate? "No," says Mines, you'd have to set a new ARD. "The final rule says it is not acceptable to backdate the MDS and you cannot use any documentation but the MDS itself to establish the ARD," she says.

No Late Assessments Allowed After Discharge From Part A

If you don't realize that the team missed doing an assessment until after the resident has been discharged from his Part A stay, tough luck.

Example: Suppose you take a person off Part A on August 2, says Mines. And the SNF doesn't do its billing for August until early September, at which time billing recognizes that the MDS team missed an assessment. At that point, the SNF can't do a late assessment to receive the default rate. The SNF still has to bill Medicare, however, under provider liability so that Medicare can count the days that the resident received Part A skilled care against his 100-day benefit period. The SNF will not receive Medicare payment.

The SNF can collect any applicable Part A copayment, Mines says.

Protect the SNF's Bottom Line

To help ensure your SNF gets proper payment, experts suggest several proactive strategies:

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• **Start at admission.** Everyone should know immediately when there is a new admission or re-admission, advises **Darlene Greenhill,** a consultant in Atlanta. "This should trigger the MDS team to note that an assessment will be due."

• **Don't let the window close.** Set up systematic systems to keep assessments from falling through the cracks. For example, the MDS coordinator should enter the resident and the selected ARD, which is resident-specific, on the MDS schedule and distribute it to the MDS team, suggests Greenhill. Use daily stand-up meetings and weekly Medicare meetings to discuss all Medicare residents and when their assessments are due, she adds. Each member of the team should be responsible and accountable for notifying the MDS coordinator when an assessment appears to be left off the calendar, Greenhill advises.

Tip: Some MDS software can give you a hot list of assessments due, says **Christine Twombly, RN**, a consultant with **Reingruber & Co**. in St. Petersburg, FL. But to ensure the list is accurate, someone has to update the census timely to reflect the correct admission and discharge dates and payer status, Twombly says. And even then, the team has to stay on top of the MDS assessments, she adds.

• **Do five-day PPS assessments on all Medicare Part A-stay patients.** This is especially important given language in the SNF PPS final rule saying you can only bill the default rate without doing an MDS when the resident's stay is less than eight days within a spell of illness (that is, benefit period) -- see the sidebar on the right.

Many people do not realize that the MDS nurse can do an MDS with the information the facility has available to get a RUG, says **Joy Morrow, RN, PhD**, senior clinical consultant with **Hansen, Hunter, and Company PC** in Beaverton, OR. It doesn't take long to do and is always better than the default rate, she adds. In fact, "you can do an MDS on someone who has been in the facility only a few hours," Morrow says.

Also do PPS assessments on anyone where traditional Medicare Part A could end up being the payer, Morrow advises.

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