MDS Alert

Medicare Payment: Head Off A Fiscal Fall--Know What's Behind A Resident's RUG Placement

Take these essential steps to see if your RUG payment is on track.

If a resident doesn't RUG into an expected category, ask some hard questions before you submit the MDS to the state database.

If you run the MDS through the RUG grouper and it doesn't produce the RUG you expected, check the MDS for data-entry errors, suggests **Jane Belt, RN, MSN**, a consultant with **Plante & Moran Swartz Group** in Columbus, OH. "For example, if you thought you checked IV meds, which would put the person in extensive services, or the therapy provided was enough to put the person in a certain rehab category, look to see if you coded those items correctly," Belt says.

If the MDS looks OK, check to see if case-mix index maximization explains the RUG selection.

If eyeballing the MDS doesn't uncover miscoding that explains the unexpected RUG score--or CMI maximization doesn't explain it--start digging deeper.

For example, if the preadmission screening leads you to believe a resident will have a RUG score that doesn't materialize, take a look at what happened, suggests **Julie Thurn-Favilla, RN**, a clinical consultant with the Milwaukee office of **LarsonAllen**. "Did the rehab therapists change the therapy initially expected to be delivered?

"Did the MDS nurse miss a hospital service in the lookback?"

Other potential reasons a resident doesn't RUG into an expected category might be that the interdisciplinary team didn't set an assessment reference date based on the resident's actual service utilization and condition to legitimately optimize RUG reimbursement. Facilities should be doing that up front as part of case management, says Belt.

Also look to see if the total activities of daily living score is correct and what you'd expect it to be based on the resident's functional status and care requirements. The total ADL score makes up about 30 percent of the RUG group rate--it has to be accurate on the MDS, says Belt, who still often finds facilities "understate" residents' ADL needs.

If a resident doesn't have a total ADL score of at least 7, he won't go into one of the rehab plus extensive services groups, if he otherwise qualifies. So undercoding the late-loss ADLs can cost you big.

Recipe for success: Unless you understand case-mix index maximization and how to set the assessment reference date--and marry that to accurate ADL coding--you can't succeed under the RUG-53 system, cautioned **Maureen Wern, CEO** of **Wern & Associates** in a presentation, "PPS Strategies ... ARD Selection for RUGs-53," at the recent annual fall **National Association of Subacute and Post Acute Care** conference in Washington, DC.