

## MDS Alert

### Reimbursement: Take 4 Actions Now To Thwart QRP-Trigged Pay Cuts

Discover how the pressure ulcer QM has now changed.

The **Centers for Medicare & Medicaid Services** (CMS) has so much in store for skilled nursing facilities' (SNFs') reimbursement and policies in fiscal year (FY) 2017, which begins on Oct. 1, 2016. Here are some of the big changes that will impact your MDS coding and quality compliance efforts and what you can do starting today to protect your facility from losing valuable Medicare dollars.

**News flash:** On July 29, CMS issued the final rule for the FY 2017 Medicare payment policies and rates for the SNF Prospective Payment System (PPS), the SNF Quality Reporting Program (QRP), and the SNF Value-Based Purchasing (VBP) Program. The final rule is effective on Oct. 1, 2016.

The FY 2017 policies and payments in the final rule reflect CMS's ongoing effort to shift Medicare reimbursement from volume to value. CMS estimates a 2.7-percent market basket increase (reduced by 0.3 percentage points), which will increase SNF aggregate payments by 2.4 percent, or \$920 million, compared to FY 2016.

#### 1. Mark These QM Dates on Your Calendar

**Brace yourself:** The final rule adopts three quality measures (QMs) under the SNF QRP, which stem from the Improving Medicare Post-Acute Transformation Act of 2014 (IMPACT Act) that requires data reporting on quality measures across post-acute care (PAC) facilities. Specifically, the final rule adopts three QMs:

- Medicare Spending Per Beneficiary;
- Discharge to Community; and
- Potentially Preventable 30-Day Post-Discharge Readmission.

If you fail to submit this required quality data to CMS, your SNF will be subject to a 2-percentage-point reduction to the annual market basket percentage update factor beginning in FY 2018.

In a July 12 SNF Quality Reporting provider call, CMS confirmed that it will base your payment rate for FY 2017 on quality data collected from Oct. 1 to Dec. 31, 2016. "The time is nearing when MDS data and claims data culled from your facility will impact your facility's future payment rates," cautions Elisa Bovee, Senior Vice President of Operations for Harmony Healthcare International Inc. in Topsfield, Mass.

The data submission deadline for this collection period is May 15, 2017, and the payment determination affected is for Oct. 1, 2017 (FY 2018), Bovee notes. "Beyond reimbursement, this data will be publically available beginning in the Fall of 2018."

#### 2. Get Your MDS Data in Order

**Prepare now:** Your MDS submissions will have a huge impact on your QMs, which will have a direct effect on your reimbursement for FY 2017 and subsequent years.

"It is imperative to meet the expectation of minimally 80 percent of MDS submissions containing the quality data," Bovee stresses. "Systems for accurate data coding must be in place prior to Oct. 1, 2016 as payments beginning on Oct. 1,

2017 are determined by this data."

**Mistake:** Avoid dash-filling MDS sections, because this will prevent accurate reporting of all data and proper reimbursement inclusive of the 2-percent rate increase, Bovee warns. "For example, a measure cannot be calculated when a dash is coded indicating a facility is unable to complete a pressure ulcer assessment."

### 3. Alert the IDT to 3 Clinical Hot-Spots

In light of the payment and policy changes contained in the SNF PPS final rule, there are three major clinical considerations for your interdisciplinary team (IDT), which include QM data on:

1. Falls with major injury;
2. New or worsening pressure ulcers; and
3. Goals for function upon SNF admission and discharge outcomes.

Quality measurement for function-related goals are tied directly to Section G □ Functional Status and the new Section GG □ Functional Abilities and Goals.

**What's more:** "Training for data collection and coding of Section GG is of utmost importance at this time," Bovee urges. "The additional MDS submission of the Part A PPS discharge assessment is vital in FY 2017 for the SNF success in FY 2018."

### 4. Stay Current on Updated QM Specs

**Heads up:** On Aug. 3, CMS updated one of the SNF QRP measures, "Percent of Patients or Residents with Pressure Ulcers that are New or Worsened (Short-Stay)." CMS added the updated QM specifications to the SNF QM User's Manual, which accompanies the MDS 3.0.

This QM reports the percent of residents with Stage 2 through 4 pressure ulcers that are new or worsened since admission. CMS calculates the QM using data from the MDS 3.0 by examining all assessments during a resident's Medicare Part A stay for reports of Stage 2 through 4 pressure ulcers that were not present, or were at a lesser stage, since admission.

For SNFs, this measure is limited to Medicare Part A residents only. CMS will calculate the QM quarterly using a rolling 12 months of data. If you have residents who had multiple stays during the 12-month time window, each stay is eligible to be included in the measure. The calculations for the pressure ulcer QM are as follows:

- Numerator □ The number of complete resident Medicare Part A stays (defined as a five-day PPS assessment and a discharge assessment, which may be a stand-alone Part A PPS discharge or a Part A PPS discharge combined with an OBRA discharge) that end during the selected time window with one or more new or worsened Stage 2 through 4 pressure ulcers at the end of the stay:

- o Stage 2 (M0300B1) □ (M0300B2) > 0, OR
- o Stage 3 (M0300C1) □ (M0300C2) > 0, OR
- o Stage 4 (M0300D1) □ (M0300D2) > 0.

- Denominator □ The number of complete resident Medicare Part A stays (defined as above) ending during the selected time window, except those who meet the following exclusion criteria:

- o If data on new or worsened Stage 2, 3, and 4 pressure ulcers are missing at discharge □ (M0300B1 = [-] or M0300B2 = [-]) and (M0300C1 = [-] or M0300C2 = [-]) and (M0300D1 = [-] or M0300D2 = [-]).
- o If the resident died during the SNF stay.

- Risk Adjustment Covariates □ For each resident covariate values are assigned, either "0" for covariate condition not present or "1" for covariate condition present, as reported on the PPS five-day assessment.

1. Indicator of requiring limited or more assistance in bed mobility self-performance dependence on the PPS five-day assessment:

o Covariate = [1] (yes) if G0110A1 = [2, 3, 4, 7, 8] (2 □ Limited assistance, 3 □ Extensive assistance, 4 □ Total dependence, 7 □ Activity occurred only once or twice, 8 □ Activity did not occur)

o Covariate = [0] (no) if G0110A1 = [0, 1, -] (0 □ Independent, 1 □ Supervision, "-" □ no response)

2. Indicator of bowel incontinence at least occasionally on the PPS five-day assessment:

o Covariate = [1] (yes) if H0400 = [1, 2, 3] (1 □ Occasionally incontinent, 2 □ Frequently incontinent, 3 □ Always incontinent)

o Covariate = [0] (no) if H0400 = [0, 9, -, ^] (0 □ Always continent, 9 □ Not rated, "-" □ no response, "^" □ valid skip)

3. Have diabetes or peripheral vascular disease on PPS five-day assessment:

o Covariate = [1] (yes) if any of the following are true:

a. Active peripheral vascular disease (PVD) or peripheral arterial disease (PAD) in the last seven days (I0900 = [1] (checked)); OR

b. Active diabetes mellitus (DM) in the last seven days (I2900 = [1] (checked)).

o Covariate = [0] (no) if I0900 = [0, -] AND I2900 = [0, -]

4. Indicator of Low Body Mass Index (BMI), based on K0200A □ Height and K0200B □ Weight on the PPS five-day assessment:

o Covariate = [1] (yes) if BMI  $\geq$  [12.0] AND  $\leq$  [19.0]

o Covariate = [0] (no) if BMI  $>$  [19.0]

o Covariate = [0] (no) if K0200A = [-] OR K0200B = [-] OR BMI  $<$  [12.0], ('-' = no response available)

o Where: BMI = (weight \* 703 / height<sup>2</sup>) = (K0200B \* 703) / K0200A<sup>2</sup> and the resulting value is rounded to one decimal.

The updated pressure ulcer QM specifications are available at

[www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/SNF-QRP-Measure-Specifications\\_August-2016\\_updated-PU.docx](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Downloads/SNF-QRP-Measure-Specifications_August-2016_updated-PU.docx).

**Link:** You can find current information on the SNF QRP on the CMS webpage

[www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Skilled-Nursing-Facility-Quality-Reporting-Program/SNF-Quality-Reporting-Program-IMPACT-Act-2014.html](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Skilled-Nursing-Facility-Quality-Reporting-Program/SNF-Quality-Reporting-Program-IMPACT-Act-2014.html). Click on the links located on the left sidebar to navigate the various QRP webpages.

### More QMs to Come

The final rule also finalized for the FY 2020 payment determination the QM, "Drug Regimen Review Conducted with Follow-Up for Identified Issues." Additionally, CMS is working on finalizing for the SNF QRP policies and procedures associated with public reporting, including:

- Reporting timelines;
- Preview period;

- Review and correction of assessment-based and claims-based QM data; and
- The provision of confidential feedback reports to SNFs.

Finally, the rule adopted certain measures for the VBP Program, which will begin in FY 2019 and deliver value-based incentive payments to SNFs based on performance. The final rule specifies the SNF 30-Day Potentially Preventable Readmission Measure (SNFPPR), which is the all-cause, all-condition risk-adjusted potentially preventable hospital readmission measure.

The SNFPPR assess the facility-level risk-standardized rate of unplanned and potentially preventable hospital readmissions for SNF residents within 30 days of discharge from a prior hospital admission.

**Resources:** The SNF PPS final rule appeared in the Aug. 5 Federal Register at <https://federalregister.gov/a/2016-18113>. For more information on the SNF QRP, go to [www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/SNF-Quality-Reporting.html](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/SNF-Quality-Reporting.html). And for more information on the SNF VBP, visit [www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/Value-Based-Programs/Other-VBPs/SNF-VBP.html).