

MDS Alert

SNFs: Heads Up: How The IMPACT Act Will Change Your Assessments

Beware of payment penalties for not reporting standardized data.

Get ready for a brand-new standardized assessment tool, thanks to the recent passage of the Improving Medicare Post-Acute Care Transformation Act (IMPACT Act). Find out how this new law will standardize assessments across all post-acute care (PAC) settings.

What the Act Means for PAC Providers

The IMPACT Act directs the **U.S. Department of Health and Human Services** (HHS) to standardize patient assessment data, quality and resource use measures for PAC providers including skilled nursing facilities (SNFs). Other affected providers include home health agencies (HHAs), inpatient rehabilitation facilities (IRFs), and long-term care hospitals (LTCHs).

The legislation aims to "allow HHS to compare quality across PAC settings, improve hospital and PAC discharge planning, and use this standardized data to reform PAC payments in the future," according to the Alexandria, VA-based **American Physical Therapy Association** (APTA).

Pay Attention to the Timelines

A big part of the new law involves creating a new standardized assessment tool for all PACs. The law requires PACs to report standardized assessment data, building on existing assessment tools. The new assessment tool would provide common data reporting across PACs for patient assessment, quality comparisons, resource use measurement, and payment reform.

Breathing room: But don't panic, because you have some time to prepare – the law requires that SNFs and other PAC providers begin using standardized assessment data in fiscal year (FY) 2019 (Oct. 1, 2018). Use of quality data to inform discharge planning will begin in FY 2016, and PAC providers will need to begin using the standardized quality and resource use measure in FY 2017.

HHS and the **Medicare Payment Advisory Commission** (MedPAC) will report to Congress on new payment prototypes utilizing the PAC assessment data for consideration as future PAC payment reforms.

How the Standardized Tool Will Work

The IMPACT Act will incorporate standardized assessment into existing assessment tools across PAC providers, according to a recent analysis by the **American Health Care Association** (AHCA) and **National Center for Assisted Living** (NCAL). The tool will measure quality based on a variety of metrics, including pressure ulcers, functional status, cognitive status, and special services. At a minimum, you'll collect this data at admission and discharge.

"The Act also requires existing patient assessment data elements that are duplicative or overlapping to be revised or replaced," noted Springfield, MO-based managing consultant **Sherri Robbins** in a recent analysis for **BKD CPAs & Advisors**.

Get Ready for New Quality Measures, Too

The Act also calls for the development and public reporting of quality measures, including rehospitalizations, discharge to community, pressure ulcers, medication reconciliation, incidence of major falls, patient preferences, and average total Medicare cost per beneficiary, AHCA/NCAL reported.



The new quality measures requirement begins on Oct. 1, 2016 and will continue through Jan. 1, 2019, APTA noted.

The law requires PAC providers and hospitals to provide quality measures to patients when transitioning to a PAC setting. It also modifies conditions of participation to incorporate QMs into the discharge planning process. "There will also be confidential feedback reports to PAC providers in 2017, followed by public reporting of PAC provider performance by 2018," Robbins said.

Noncompliance Will Hurt Your SNF's Bottom Line

Beware: "The Act indicates there will be payment consequences for PAC providers that fail to report the standardized assessment data, quality resource and other measures," Robbins warned. In fact, your facility could suffer a 2-percent market basket penalty if you fail to effectively collect and report data.

Stay tuned to upcoming issues of MDS Alert as we report on and analyze future HHS guidance on the implementation of the IMPACT Act. To read the legislation, go to www.congress.gov/bill/113th-congress/house-bill/4994/text.