

**TRANSITION  
from  
RUG-III to RUG-IV  
UNDER SNF PPS**

**August 24, 2010**

# Agenda

- Introduction
- Key Concepts
- Options
- SNF PPS Policies
- Reminders

# **INTRODUCTION**

# Introduction<sub>1</sub>

- The transition applies only to SNF PPS assessments
- Providers must complete all OBRA required assessments according to OBRA schedule

# Introduction<sub>2</sub>

- Presumption of Coverage remains in effect
  - Up to day 8 of the SNF stay or ARD of the 5-day assessment, whichever occurs **first**
- Default payment exceptions remain in effect for allowed circumstances
  - Examples:
    - Resident discharged during first 8 days of stay
    - Late assessment - default up to ARD

# Introduction<sub>3</sub>

- Transition applies to only those residents who have covered Part A days in September **and** October 2010
  - When RUG assignment from one SNF PPS assessment covers days in September **and** October

# Introduction<sub>4</sub>

- RUG-III can be calculated from MDS 2.0 and MDS 3.0
- RUG-IV can't be calculated from MDS 2.0
  - Require MDS 3.0 to calculate RUG-IV
- Assessments will be rejected
  - MDS 2.0 ARD 10/01/10 or later
  - MDS 3.0 ARD 09/30/10 or earlier

# Introduction<sub>5</sub>

- In order to receive payment for covered days in September 2010 must have a RUG-III
  - MDS 2.0 or MDS 3.0
- In order to receive payment for covered days in October 2010 must have a RUG-IV
  - Need an MDS 3.0



# Introduction<sub>6</sub>

- Options
  - o May opt for default payment under specific circumstances (in addition to current policy)
  - o May opt to complete MDS 2.0 and MDS 3.0 same type – MDS 2.0 in September and MDS 3.0 early October
  - o May opt to “substitute” MDS 3.0 for previous type of MDS 3.0
  - o May opt to “substitute” MDS 3.0 for same type of MDS 2.0

# Introduction<sub>7</sub>

- Transition does not apply
  - o When payment ends 09/30/10 or sooner
    - Medicare stay ends 09/30/10 or sooner
    - SNF PPS payment for assessment ends 09/30/10
  - o When payment begins 10/01/10 or later
    - Medicare care stay begins 10/01/10 or later
    - SNF PPS payment for assessment begins 10/01/10

# Introduction<sub>8</sub>

- Transition does not apply
  - o Medicare Start Dates
    - 07/03/10 => Day 90, 9/30 is last paid day for 60-day
    - 08/02/10 => Day 60, 9/30 is last paid day for 30-day
    - 09/01/10 => Day 30, 9/30 is last paid day for 14-day
    - 09/17/10 => Day 14, 9/30 is last paid day for 5-day
  - o **Must** have MDS 2.0 for September payment days and MDS 3.0 for October payment days

# **KEY CONCEPTS**

# Key Concepts<sub>1</sub>

- Transition does **not** apply:
  - o Residents whose last paid Part A day is 09/30/10 and earlier
    - Only MDS 2.0 and RUG-III
  - o Residents with Medicare start date (A2400B) 10/01/10 and later
    - Only MDS 3.0 and RUG-IV
    - MDS 2.0 with ARD 10/01/2010 or later is not valid and will be rejected

# Key Concepts<sub>2</sub>

- Must know RUGs/payment rates for the resident in order to make decisions that will optimize reimbursement
  - RUG-III group & associated payment (MDS 2.0 and MDS 3.0)
  - RUG-IV group & associated payment (MDS 3.0)

# Key Concepts<sub>3</sub>

- When MDS substitution is an option, the decision should be made case-by-case based on consideration of RUG-III vs. RUG-IV payment differential
  - ARD selection impacts the assigned RUG
  - SNF PPS policies may impact decision, for example:
    - MDS 3.0 - short stay policy
    - MDS 2.0 – section T

# Key Concepts<sub>4</sub>

- Transition decision applies:
  - o When last paid day for Medicare Part A is 10/01-10/04/10
  - o When resident has paid days in September and October based on the same assessment



**DEFAULT**

**10/01/10 – 10/04/10 Discharges**

# Default

- When a resident Part A stay ends 10/01/10 – 10/04/10
  - o May opt to not complete applicable PPS assessment
  - o Required to complete discharge assessment (OBRA rules apply)
  - o Expectation is that this will be rare event

# **OPTION 1**

## **No Substitution**

# No Substitution

- Provider does not substitute MDS 3.0 for MDS 2.0 or MDS 3.0
  - MDS 2.0(x) – RUG-III covers September days for applicable payment window
  - MDS 3.0(x) – RUG-IV covers October days for applicable payment window
  - MDS 3.0(y) – RUG-IV covers remaining October days for applicable payment window when resident remains skilled

# No Substitution - ARD Rules<sub>1</sub>

- MDS 2.0(x):
  - o Earliest date = day allowed for assessment window
  - o Latest date = day allowed for assessment window or 9/30, whichever is first
- MDS 3.0(x):
  - o Earliest = 10/01
  - o Latest = see form

# No Substitution - ARD Rules<sub>2</sub>

- MDS 3.0 (y):
  - o Only require assessment when resident remains skilled
  - o Earliest = 10/02 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/03 or later
  - o Earliest ARD may not be sooner than ARD for MDS 3.0(x)
  - o Latest = day ARD allowed for assessment window

# No Substitution – Example 1<sub>1</sub>

- Example 1
  - o Medicare Start Date 09/27/2010
  - o 5-day covers 09/27 – 10/10 (14 days)
    - Need RUG-III for 09/27 – 09/30
    - Need RUG-IV for 10/01 – 10/10
  - o 14-day covers 10/11 – 10/26
    - Need RUG-IV
    - Only when resident remains skilled

# No Substitution – Example 1<sub>2</sub>

- o MDS 2.0 5-day
  - ARD 09/27 – 09/30
  - Covers paid days 09/27 – 09/30 (4 days)
- o MDS 3.0 5-day
  - ARD 10/01 – 10/05
  - Covers paid days 10/01 – 10/10 (10 days)
- o MDS 3.0 14-day
  - ARD 10/07 - 10/15
  - Only when resident remains skilled



# No Substitution – Example 2<sub>1</sub>

- Example 2
  - o Medicare Start Date 09/12/2010
  - o 14-day covers 09/26 – 10/11 (16 days)
    - Need RUG-III for 09/26 – 09/30
    - Need RUG-IV for 10/01 – 10/11
  - o 30-day covers 10/12 – 11/10
    - Need RUG-IV
    - Only when resident remains skilled

# No Substitution – Example 2<sub>2</sub>

- o MDS 2.0 14-day
  - ARD 09/22 – 09/30
  - Covers paid days 09/26 – 09/30 (5 days)
- o MDS 3.0 14-day
  - ARD 10/01 – 10/03
  - Covers paid days 10/01 – 10/11 (11 days)
- o MDS 3.0 30-day
  - ARD 10/02 - 10/15
  - Only when resident remains skilled for payment period

# No Substitution – Considerations

- Completing 2 assessments for one payment period
  - MDS 2.0 for September days and MDS 3.0 for October days
  - Continue with schedule when resident remains skilled (MDS 3.0)
- All covered days will have RUG assigned based on an assessment
  - Avoids risk of not having an assessment (no payment) or late assessment (default)

**OPTION 2**  
**MDS 3.0 for MDS 3.0**

# Substitute MDS 3.0 for MDS 3.0

- Complete MDS 2.0 and next required MDS 3.0 type as substitute for same MDS 3.0
  - MDS 2.0(x) – RUG-III covers September days for applicable payment window
  - MDS 3.0(y) – RUG-IV covers October days for applicable payment window and October days for prior assessment window

# Substitute MDS 3.0 for MDS 3.0 - ARD Rules<sub>1</sub>

- Provider completes MDS 2.0 for September days and next MDS 3.0 for October days
- MDS 2.0(x):
  - o Earliest date = day allowed for assessment window
  - o Latest date = day allowed for assessment window or 9/30, whichever is first

# Substitute MDS 3.0 for MDS 3.0 - ARD Rules<sub>2</sub>

- MDS 3.0(y):
  - o Earliest = 10/01 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/02 or later
  - o Latest = day ARD allowed for assessment window

# Substitute MDS 3.0 for MDS 3.0 - Example 1<sub>1</sub>

- Example 1
  - o Medicare Start Date 09/27/2010
  - o 5-day covers 09/27 – 10/10 (14 days)
    - Need RUG-III for 09/27 – 09/30
    - Need RUG-IV for 10/01 – 10/10
  - o 14-day covers 10/11 – 10/26 (16 days)
    - Need RUG-IV



# Substitute MDS 3.0 for MDS 3.0 - Example 1<sub>2</sub>

- o MDS 2.0 5-day
  - ARD 09/27 – 09/30
  - Covers paid days 09/27 – 09/30 (4 days)
- o MDS 3.0 14-day
  - ARD 10/07 - 10/15
  - Covers paid days 10/01 – 10/26 (26 days)

# Substitute MDS 3.0 for MDS 3.0 – Example 2<sub>1</sub>

- Example 2
  - o Medicare Start Date 09/12/2010
  - o 14-day covers 09/26 – 10/11 (16 days)
    - Need RUG-III for 09/26 – 09/30
    - Need RUG-IV for 10/01 – 10/11
  - o 30-day covers 10/12 – 11/10 (30 days)
    - Need RUG-IV

# Substitute MDS 3.0 for MDS 3.0 - Example 2<sub>2revised</sub>

- o MDS 2.0 14-day
  - ARD 09/22 – 09/30
  - Covers paid days 09/26 – 09/30 (5 days)
- o MDS 3.0 30-day
  - ARD 10/02 - 10/15
  - Covers paid days 10/01 – 11/10 (41 days)

# Substitute MDS 3.0 for MDS 3.0

## - Considerations<sub>revised</sub>

- Completing 2 assessments
  - MDS 2.0 for September days
  - MDS 3.0 for 'early' October (remaining 2.0 window) and October/November days for associated assessment
- All covered days may not have a RUG
  - If resident is discharged after 10/01 and before allowed ARD of MDS 3.0
    - Discharge date becomes the ARD of **prior** MDS 3.0 assessment

# **OPTION 3**

## **MDS 3.0 for MDS 2.0**

# Substitute MDS 3.0 for MDS 2.0<sub>revised</sub>

- Do not complete MDS 2.0
- Complete required MDS 3.0 for required MDS 2.0
  - MDS 3.0(x) – RUG-III covers September days and RUG-IV covers October days for applicable payment window
  - MDS 3.0(y) – RUG-IV covers October days for applicable payment window

# Substitute MDS 3.0 for MDS 2.0 - ARD Rules<sub>1</sub>

- MDS 3.0(x):
  - o Earliest = 10/01
  - o Latest = see form

# Substitute MDS 3.0 for MDS 2.0 - ARD Rules<sub>2</sub>

- MDS 3.0(y):
  - o Earliest = 10/02 when allowed ARD falls 10/01 or earlier **or** is the actual allowed ARD when 10/03 or later
  - o Earliest ARD may not be sooner than ARD for MDS 3.0(x)
  - o Latest = day ARD allowed for assessment window



# Substitute MDS 3.0 for MDS 2.0 – Example 1<sub>1</sub>

- Example 1
  - o Medicare Start Date 09/27/2010
  - o 5-day covers 09/27 – 10/10 (14 days)
    - Need RUG-III for 09/27 – 09/30
    - Need RUG-IV for 10/01 – 10/10
  - o 14-day covers 10/11 – 10/26
    - Need RUG-IV
    - Only when resident remains skilled for that payment period

# Substitute MDS 3.0 for MDS 2.0 – Example 1<sub>2</sub>

- o MDS 3.0 5-day
  - ARD 10/01 – 10/05
  - Covers paid days 09/27 – 10/10 (14 days)
    - RUG-III 09/27 – 09/30 (4 days)
    - RUG-IV 10/01 – 10/10 (10 days)
- o MDS 3.0 14-day
  - ARD 10/07 - 10/15
  - Only when resident remains skilled for payment period

# Substitute MDS 3.0 for MDS 2.0 – Example 2<sub>1</sub>

- Example 2
  - o Medicare Start Date 09/12/2010
  - o 14-day covers 09/26 – 10/11 (16 days)
    - Need RUG-III for 09/26 – 09/30 (5 days)
    - Need RUG-IV for 10/01 – 10/11 (11 days)
  - o 30-day covers 10/12 – 11/10
    - Need RUG-IV
    - Only when resident remains skilled for that payment period

# Substitute MDS 3.0 for MDS 2.0 – Example 2<sub>2</sub>

- o MDS 3.0 14-day
  - ARD 10/01 – 10/03
  - Covers paid days 09/26 – 10/11
    - RUG-III 09/26 – 09/30 (5 days)
    - RUG-IV 10/01 – 10/11 (11 days)
- o MDS 3.0 14-day
  - ARD 10/02 - 10/15
  - Only when resident remains skilled for payment period

# Substitute MDS 3.0 for MDS 2.0 - Considerations<sub>revised</sub>

- Completing 1 assessment for one payment period
- All covered days may not have a RUG
  - If resident is discharged before 10/01 **and** after the allowed ARD for MDS 2.0
    - Discharge date becomes the ARD of MDS 2.0 assessment => if the ARD is late for MDS 2.0 ARD window, then default

# **SNF PPS POLICIES**

# SNF PPS Policies<sub>1</sub>

- Short stay policy
  - Effective w/ Medicare end date (A2400C) 10/01/10 and later
  - Must meet criteria

# SNF PPS Policies<sub>2</sub>

- End of therapy
  - o The following applies when last day of therapy provided is in September:
    - 09/20/10 and earlier
      - Must complete MDS 2.0 OMRA
      - Must complete MDS 3.0 as 'opted'
    - 09/21 and 09/22
      - option to complete MDS 2.0 OMRA or MDS 3.0 EOT OMRA
      - Must complete MDS 3.0 as 'opted'
      - May combine MDS 3.0 assessments



# SNF PPS Policies<sub>3</sub>

- End of therapy
  - o The following applies when last day of therapy provided is in September:
    - 09/23 – 09/28
      - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10
      - Must complete MDS 3.0 as 'opted'
      - May combine MDS 3.0 assessments

# SNF PPS Policies<sub>4</sub>

- End of therapy
  - o The following applies when last day of therapy provided is in September:
    - 09/29
      - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10 – 10/02/10
    - 09/30
      - Must complete MDS 3.0 EOT OMRA w/ ARD 10/01/10 – 10/03/10
    - 09/29 and 09/30
      - Must complete MDS 3.0 as 'opted'
      - May combine MDS 3.0 assessments

# SNF PPS Policies<sub>5</sub>

- Start of therapy
  - When earliest therapy start date is 09/25 – 09/30 and resident is **not** assigned into a Rehabilitation category, may complete optional SOT OMRA
    - ARD must be 10/01/10 or later as per requirements
    - Payment will begin 10/01/10

# REMINDERS

# REMINDERS<sub>1</sub>

- Transition only applies to SNF PPS
- Transition options only apply to those residents who have covered Part A days in September and October 2010
  - When RUG assignment from one SNF PPS assessment covers days in September **and** October
- Substituting an assessment with an MDS 3.0 PPS assessment is **OPTIONAL**

# REMINDERS<sub>2</sub>

- **Must** adhere to MDS 3.0 coding instructions when completing MDS 3.0
  - o Apply appropriately when 'looking back' into September
- Exercising option to substitute an assessment is not to be considered an extension of presumption of coverage

# Questions