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Highlights of Proposed Rules for Skilled Nursing Facilities, Inpatient Rehabilitation Facilities, and Inpatient Psychiatric Facilities [Ober|Kaler]

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On May 1, 2014, CMS released proposed payment and policy changes for Medicare Skilled Nursing Facilities (SNFs) [PDF], Inpatient Rehabilitation Facilities (IRFs) [PDF], and Inpatient Psychiatric Facilities (IPFs) [PDF]. Some of the key changes are highlighted below. CMS will accept comments on all three proposed rules until June 30, 2014.

Skilled Nursing Facilities

In addition to the annual updates to rates, CMS has proposed the following changes:

- ***Change of Therapy*** – In response to provider concerns about the rules that limit the use of the Change of Therapy (COT) Other Medicare Required Assessment (OMRA) to situations in which a resident is already classified into a therapy Resource Utilization Group (RUG), CMS proposes to revise the policy to permit providers to use it to reclassify residents into a therapy RUG from a non-therapy RUG in certain circumstances.
- ***Civil Monetary Penalties*** – Section 6111 of the Affordable Care Act mandates the approval and use of Civil Monetary Penalties (CMPs) against nursing homes. Under the proposed clarification, only after gaining approval from CMS may the states use federal CMP funds. States may not use the funds other than to support beneficial activities for residents and may not use the funds where CMS disapproved the intended use. In addition, CMS seeks greater transparency on projects funded by CMP funds.

Inpatient Rehabilitation Facilities

In addition to the annual updates to rates, CMS has proposed:

- ***Presumptive Methodology*** – For consistency with the FY 2014 IRF PPS final rule, CMS proposes further revisions to the impairment group codes, Etiologic Diagnosis, and comorbidity elements of determining an IRF's presumptive compliance with the 60 percent rule.
- ***IRF –PAI Items:***
  - Data Collection – CMS proposes the addition of a component to the IRF Patient Assessment Instrument (IRF-PAI), effectively mandating that IRFs record the quantity and type of therapy patients receive through each discipline.
  - Arthritis Diagnosis Code – To offset a potential burden escalation owing to the changes in the presumptive compliance methodology, CMS proposes to enable providers to indicate, for arthritic patients, that prior treatment and severity requirements had been met. The new item would be used to determine whether, by including the arthritis cases so indicated, a facility would comply with the 60 percent rule. Where the facility would comply by including the additional arthritis cases via the new item, the Medicare Administrative Contractor could review a random sample of arthritis cases as opposed to a comprehensive medical review on all cases.

- ***Quality Reporting Program (QRP):***

  – Reconsideration Process – CMS proposes to mandate specific procedures for IRFs to follow when submitting a request for reconsideration of an IRF – QRP determination of provider compliance.
  – Thresholds and Data Validation – CMS proposes a novel Data Accuracy Validation policy to require randomly identified IRFs to meet a 90% data reliability threshold for quality indicators.

Inpatient Psychiatric Facilities

In addition to the annual update to rates, CMS has proposed:

- ***IPFQR Changes:*** The Inpatient Psychiatric Facility Quality Reporting Program (IPFQR) is a voluntary, pay-for-reporting program, requiring participating facilities to report on six quality measures (eight for FY 2016 and beyond). CMS now proposes to increase the number of measures by adding:

  – Structural Measures - relating to patient experience surveys and electronic health record use;
  – Quality Measures – two tobacco use measures, one influenza immunization measure, and one healthcare worker influenza immunization measure.