

CMS RELEASES FY 2014 SNF PPS RATES, UPDATES THERAPY DAY REPORTING REQUIREMENTS

The Centers for Medicare & Medicaid Services ("CMS") recently released the final rule for fiscal year ("FY") 2014 skilled nursing facility ("SNF") prospective payment system ("PPS") rates. These rates will take effect October 1, the start of FY 2014.

The PPS rate is composed of various factors, such as the market basket index, forecast error correction factors, and productivity adjustments. The net result will be an increase of 1.3%, or \$470 million for FY 2014. While this reimbursement increase is welcome, it falls \$30 million short of the **proposed PPS rule** CMS submitted in May of this year.

CMS cites a change in the multifactor productivity adjustment calculation, as provided by IHS (Information Handling Services) Global Insight, Inc. ("IGI").

In addition to the PPS rates, the final rule included changes to the requirements for reporting distinct therapy days. To ensure accuracy in case-mix assignment and payment, CMS is adding an item to the Minimum Data Set ("MDS") to record the number of distinct calendar days of therapy provided by all the rehabilitation disciplines to a beneficiary over the seven-day look-back period. CMS is clarifying that the qualifying condition for the Medium Rehab ("RM") Category requires five distinct calendar days of therapy. Similarly, CMS is clarifying that the qualifying condition for the Low Rehab ("RL") Category requires three distinct calendar days.

Currently, the number of days for each therapy discipline reported on the MDS is summed without regard to the number of separate and unique days per week during which the patient receives therapy services across all rehabilitation disciplines. This results in some residents qualifying inappropriately for an RM or RL Resource Utilization Group ("RUG"). The addition to the MDS ensures SNFs are paid accurately for the therapy services they provide to their residents.

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