RehabCare
The MONITOR
AUGUST 2013
Keeping Watch for the Latest Industry News

CMS Issues FY 2014 Medicare IRF Final Rule

By Susan Feeney, Senior Director of Communications and Policy

On July 31, 2013, the Centers for Medicare and Medicaid Services (CMS) issued the final 2014 Medicare payment and regulatory update for Inpatient Rehabilitation Facilities, which includes a 2.3 percent increase in Medicare payments effective on October 1, 2013. The final rule also included several updates including changes to the list of diagnosis codes that are used to determine presumptive compliance with the "60 Percent Rule," changes to the IRF Patient Assessment Instrument (IRF-PAI), and revised quality measures and reporting requirements.

We were pleased that in preparing the final rule, CMS took into consideration some of the formal comments that RehabCare and other stakeholders provided. While we had specifically advocated CMS withdraw the proposed changes to the presumptive compliance criteria methodology, we also commented that if CMS decided to move forward with the changes, it should allow providers adequate time for implementation, establish modifiers for arthritis conditions, appropriately target record review, and preserve certain codes. In an improvement over the proposed rule, and consistent with RehabCare's comments, CMS has removed fewer codes than originally proposed from those that may count toward presumptive compliance of the 60% Rule threshold. Additionally, this portion of the update will not take effect until October 1, 2014, which gives providers more time to prepare.

The proposed changes to the IRF-PAI and the IRF quality reporting program were also finalized in the rule and will take effect on October 1, 2014. RehabCare will be providing ongoing and comprehensive training to our therapists in the upcoming months to ensure they are prepared to implement the changes detailed in the final rule.

RehabCare will be providing ongoing and comprehensive training to our therapists in the upcoming months ***to ensure they are prepared to implement the changes detailed in the final rule.***

RehabCare
The MONITOR
AUGUST 2013
Keeping Watch for the Latest Industry News

SNF Final Rule Includes Changes to Distinct Therapy Days

The final rule includes a 1.3 percent Market Basket Increase for SNF Medicare payments beginning October 1 as well as several regulatory changes including the reporting of distinct therapy days on the MDS and the requirement to report therapy co-treatment minutes on the MDS.

The same day CMS issued the final IRF rule, they issued the SNF Medicare PPS update for FY 2014. In large part the final rule was in line with our expectations and close to the proposed rule issued earlier this year. The final rule includes a 1.3 percent Market Basket Increase for SNF Medicare payments beginning October 1 as well as several regulatory changes including the reporting of distinct therapy days on the MDS and the requirement to report therapy co-treatment minutes on the MDS.

Regrettably, CMS ignored much of the stakeholder comments and will require new reporting through item O0420 to the MDS 3.0 to capture distinct therapy days provided by all the rehabilitation disciplines to a beneficiary over the seven-day look-back period. CMS asserts that there was no change in policy, that rather this is merely adding an item to the MDS to enable the agency to implement and track existing policy.

At RehabCare, we have been tracking distinct calendar days for therapy as part of our protocol for a long time and ensuring the needs of our patients are met remains our primary objective. Continued compliance will require close attention to detail in order to ensure that patients remain in the appropriate RUG that best represents their medical and rehabilitative needs rather than changing based solely on an arbitrary day count and a rolling seven-day calendar.

We are working with our technology and software partners to ensure that we have the best tools and programs in place prior to October 1, 2013, to enable our therapists and customers to easily and appropriately implement the new requirements.

SNF Final Rule Includes Requirement to Report Co-Treatment Minutes Provided by Therapy

Co-treatment minutes are currently captured and reported on the MDS but not as a separate item. Co-treatment is a technique where two therapists from two different disciplines both treat the patient at the same time.

RehabCare currently records this treatment as part of documentation in the medical record. Reporting of this as a new item on the MDS is expected to be managed through our software vendors. CMS is expected to release specifications in the MDS 3.0 RAI manual.

RehabCare
The MONITOR
AUGUST 2013
Keeping Watch for the Latest Industry News

Congress Considers Post-Acute Care Reform and Permanent "Doc Fix"

As we shared earlier this year, Members of Congress have been working on a framework for a permanent repeal of the sustainable growth rate (SGR) for the physician fee schedule. Efforts to repeal the SGR are of importance to therapy for two critical reasons; first because Medicare Part B reimbursement rates for therapists are determined by the same schedule, and second because any efforts to repeal the SGR would likely be funded – all or in part – by reductions in payments to other providers most alike in the post-acute space.

While discussion persists on Capitol Hill, the details of possible SGR repeal – including pay-fors – have yet to be released.

In related efforts, earlier this summer, the Senate Finance and House Ways and Means committees requested that stakeholders provide real workable solutions to the post-acute care payment and delivery systems. In response to the request, Kindred and RehabCare will be submitting our "Blueprint for Post-Acute Care Reform" to the committees in which we will highlight our strategy to develop a patient-centered, integrated, post-acute care delivery and payment system model. Our government relations team will use the opportunity for continued advocacy to protect critical Medicare funding and promote commonsense measures that preserve appropriate access to rehabilitative care across the continuum.

As Congressional interest in addressing post-acute care reforms moves forward, RehabCare will be sure to provide timely updates and analysis.

House Committee Releases Legislative Language Including Cuts to Medicare Providers

Just before Congress left town for August recess, the House Ways and Means Committee released legislative language reflecting several elements included in the Administration's budget proposal – including reducing market basket updates, equalizing payments for certain conditions commonly treated in IRFs starting in 2014, reinstating the 75% rule and other changes aimed at providers. Specifically, the proposal would reduce Market Basket updates by an additional 1.1% each year through 2023 for all post-acute care providers creating an estimated $79 billion in budgetary savings over ten years.

It is perceived that the release of this language by the Committee was largely a political maneuver. However, it is concerning that such cuts to post-acute care and the provision of rehabilitative services continue to be discussed, particularly in light of the pursuits of post-acute care reform and a repeal of the SGR. No Congressional activity is planned at this point, but it may be included in the greater policy discussion when Members return to Washington, DC, in early September.

RehabCare's government relations team will continue to engage with Committee Members and their staffs to illustrate the value proposition of rehab therapies and to protect critical funding. As developments occur, we will provide timely updates.

RehabCare
The MONITOR
AUGUST 2013
Keeping Watch for the Latest Industry News

MedPAC Releases Report on Medicare Outpatient Therapy

As mandated in the Middle Class Tax Relief and Job Creation Act of 2012, the Medicare Payment Advisory Commission (MedPAC) recently released a "report making recommendations on how to improve the outpatient therapy benefit under Part B" as part of its annual June report to Congress. Similarly, the commission made recommendations to Congress in November 2012 under the threat of the expiring therapy cap exceptions process – which Congress extended for one year in late 2012. The recommendations contained within the June report were all based on data and analysis completed for the November recommendations. This is an important factor because the analysis in the June 2013 report does not take into account the Manual Medical Review process that is triggered at the $3,700 outpatient therapy threshold nor does it consider the 50% Multiple Payment Procedure Reduction that also went into effect for outpatient therapies as of April 1, 2013.

While the report was mandated to be issued by MedPAC, it has received very little attention as it was largely a reissuance of the Commission's November 2012 recommendations for alternatives to the therapy cap exceptions process. We are actively tracking any potential interest in the report.

About RehabCare

RehabCare is the leading provider of rehabilitation services, including physical, occupational and speech-language therapies, to over 2,000 hospitals and long-term care facilities in 46 states. We are the premier provider of rehab throughout the full continuum of care, including transitional care hospitals, nursing and rehabilitation centers, inpatient acute rehab units, inpatient rehabilitation facilities and hospice and home care locations.

Because RehabCare therapists treat patients throughout acute and post-acute settings, they are able to facilitate effective care coordination, manage patient episodes and understand and comply with myriad regulations targeting rehabilitative care and services. Our vast network enables you to access best practices and geographic market knowledge that will take your care center to the next level.

RehabCare

Have Questions? Contact Us

Raymond Sierpina
Vice President of Government Affairs
raymond.sierpina@kindred.com

or

Susan Feeney
Senior Director of Communications and Public Policy
susan.feeney@kindred.com.