

Rehab and Long Term Care Update

RAC National Summit

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(New) Issues Approved for RAC Review

- ▶ Inpatient Rehab
 - Patients Not Meeting Medical Necessity Criteria
 - Late Submissions of PAI
- ▶ Outpatient Therapy
 - Manual Medical Review of Therapy Claims above the \$3700 Threshold (Postpayment)
- ▶ Skilled Nursing Facilities
 - Units in Access of PPS Assessment Maximum
 - SNF Coding Validation
 - SNF Level of Care Review
 - Manual Medical Review of Therapy Claims above the \$3700 Threshold (Postpayment)

(New) Issues Approved for RAC Review

▶ Home Health Issues

- Invalid Treatment Authorization Code
- Validation of Early Episode Timing
- Validation of Late Episode Timing
- Core Based Statistical Areas
- Manual Medical Review of Therapy Claims above the \$3700 Threshold (Postpayment)
- No Skilled Service
- Skilled Nurse Length of Stay

Areas of Discussion

- ▶ Inpatient Rehabilitation
 - Three areas of focus
 - Coverage Guidelines
 - Medical Necessity
 - Admission and Certification Regulation
- ▶ Outpatient Therapy
 - Therapy Claims above \$3700 Threshold
- ▶ Skilled Nursing Facilities
 - Medical Necessity (Skilled Service)

Coverage Guidelines

Coverage Guidelines

- ▶ Pre-admission Screen
- ▶ Physician Involvement/Supervision
 - Post Admission Physician Evaluation
 - Physician Face-to-Face Visits
 - Plan of Care
- ▶ Intensity of therapy
- ▶ Interdisciplinary Team Approach/
Team Conference



Inpatient Rehabilitation

- ▶ **OIG Norwalk, CT Case**
 - April, 2013
 - 100 Claims Reviewed, 98 Denied
 - Results extrapolated over an additional 225 Claims
 - Approximately a total of \$8M in overpayments identified
 - Denials Based on Lack of Compliance to Coverage Guidelines for Inpatient Rehabilitation
 - Appeals focused on medical necessity of admissions *despite* inability to demonstrate compliance with the Coverage Guidelines
 - OIG stated medical necessity could not be demonstrated if the Coverage Guidelines were not met

Compliance with Coverage Guidelines

- ▶ Tabulation of over 200 record reviews specifically looking at 6 issues addressed in the Coverage Guidelines:

Records with non-compliance in one component	13%
Records with non-compliance in two components	13%
Records with non-compliance in three components	0%
Records with non-compliance in four components	40%
Records with non-compliance in five components	20%
Records with non-compliance in six components	13%

Medical Necessity for Inpatient Rehabilitation

Medical Necessity

“The IRF Benefit is designed to provide intensive rehabilitation therapy in a resource intensive hospital environment for patients who, due to the complexity of their nursing, medical management and rehabilitation needs, require and can reasonably be expected to benefit from an inpatient stay and an interdisciplinary approach to the delivery of rehabilitation care.”

Medical Necessity

- ▶ Critical Components
 - Physician Documentation
 - Functional Status should demonstrate need for acute care setting and intensity of therapy
 - Medical conditions should demonstrate need for acute care setting
 - Intensity of therapy provided
 - Significant practical improvement as a result of participation in the program

Admission and Certification

New IPPS Rules – Physician Admission and Certification

Requirements for inpatient services of hospitals other than psychiatric hospitals.

- ▶ *(a) Content of certification and recertification. Medicare Part A pays for inpatient hospital services of hospitals other than psychiatric hospitals only if a physician certifies and recertifies the following:*
 - *(1) The reasons for either—*
 - *(i) Continued hospitalization of the patient for medical treatment or medically required inpatient diagnostic study; or*
 - *(ii) Special or unusual services for cost outlier cases (under the prospective payment system set forth in subpart F of part 412 of this chapter).*
 - *(2) The estimated time the patient will need to remain in the hospital.*
 - *(3) The plans for posthospital care, if appropriate.*

Admission and Certification Rule

- ▶ While the two midnight component of the rule does not apply to inpatient rehab, the remainder of the rule does apply
- ▶ CMS
 - “The physician certification requirements for inpatient admissions do apply to IRFs. There is no difference in the application to IRFs in a hospital setting versus a freestanding IRF. We were not planning to issue any additional guidance regarding the application of the IPPS rule to IRFs, but we can consider issuing such guidance if the need arises.”

Outpatient Therapy

- ▶ Therapy Claims Above the \$3700 Threshold
 - American Taxpayer Act extended Therapy caps to 12/31/13
 - Regardless of Location
 - Caps
 - \$1900 for Occupational Therapy (OT)
 - \$1900 for a combination of Physical Therapy (PT) and Speech/Language Pathology (SLP)
 - Exceptions for services that are “reasonable and necessary”
 - \$3700 threshold for PT and SLP
 - \$3700 threshold for OT
 - Subject to a manual medical review

Therapy Threshold

- ▶ MACs conducted reviews 1 / 1 – 3 / 31 / 13
- ▶ After 4 / 1 / 13, RACs have conducted prepayment review
 - FL, CA, MI, TX, NY, LA, IL, PA, OH, NC, Missouri
- ▶ Other states, CMS pays claims with KX modifier
 - RAC conducts post payment manual medical review

Skilled Nursing Facilities

- ▶ **Medical Necessity**
 - **Level of Care Review**
 - Does the level of care provided correlate with the reason for admission?
 - **Skilled Care vs. Maintenance**

Home Health

- ▶ The ongoing demonstration of need for home health services continues to be critical.

Questions?



Contact Information



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