

Summary of CMS Final Rule

(There will be a more detailed summary forthcoming as updated.)

- CMS decided that a “phase in” of cuts which we pushed a few weeks back on Capitol Hill was not acceptable as it would be too costly
- CMS found that the parity adjustment made in FY 2011, which was intended to ensure that the new RUG-IV system would not change overall spending levels from the prior year, instead resulted in a significant increase in Medicare expenditures during FY 2011.
- This increase in spending was primarily due to shifts in the utilization of therapy modes under the new RUG classification system differing significantly from the projections on which the original parity adjustment was based.

NOTE: Along with recalibrating and updating the SNF PPS payment rates for FY 2012, this final rule makes a number of additional revisions aimed at enhancing SNF PPS accuracy and integrity. The rule modifies the patient assessment windows and grace days to minimize duplication and overlap in observation periods between assessments.

The final rule also:

- Clarifies circumstances when SNFs must report breaks of three or more days of therapy.
- Eliminates the distinction between facilities regularly furnishing therapy services on a 5- or 7-day basis for purposes of setting the date for the End of Therapy (EOT) Other Medicare Required Assessment (OMRA).
- Streamlines procedures for documenting situations involving a brief interruption in therapy, where therapy resumes without any change in the patient’s RUG-IV classification level.

- Introduces a new Change of Therapy (COT) OMRA to capture those changes in a patient's therapy status that would be sufficient to affect the patient's RUG-IV classification and payment, even though they may not increase to the level of a significant change in clinical status.
- Provides for the allocation of a therapist's time for group therapy (defined in the rule as a single therapist leading four patients in a common activity) to ensure that Medicare payments better reflect resource utilization and cost for these services, and specifically that the therapist's time is being appropriately counted and reimbursed.
- Discusses the impact of certain provisions of the Affordable Care Act, and announces that proposed provisions regarding ownership disclosure requirements set forth in the Affordable Care Act will be finalized at a later date.