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**Audits of Therapy Clustering at
Long-Term Care Nursing Facilities**

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August 27, 2019**

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Overview

Audits of Therapy Clustering

- Background
- Three Audits and Results
 - Sunny Springs Nursing and Rehabilitation
 - Mission Nursing and Rehabilitation Center
 - Statewide Assessment
- Audit Recommendation
- Additional Audit Observations
- Texas HHS Letter to Nursing Facilities
- Upcoming Changes to Payment Methodology

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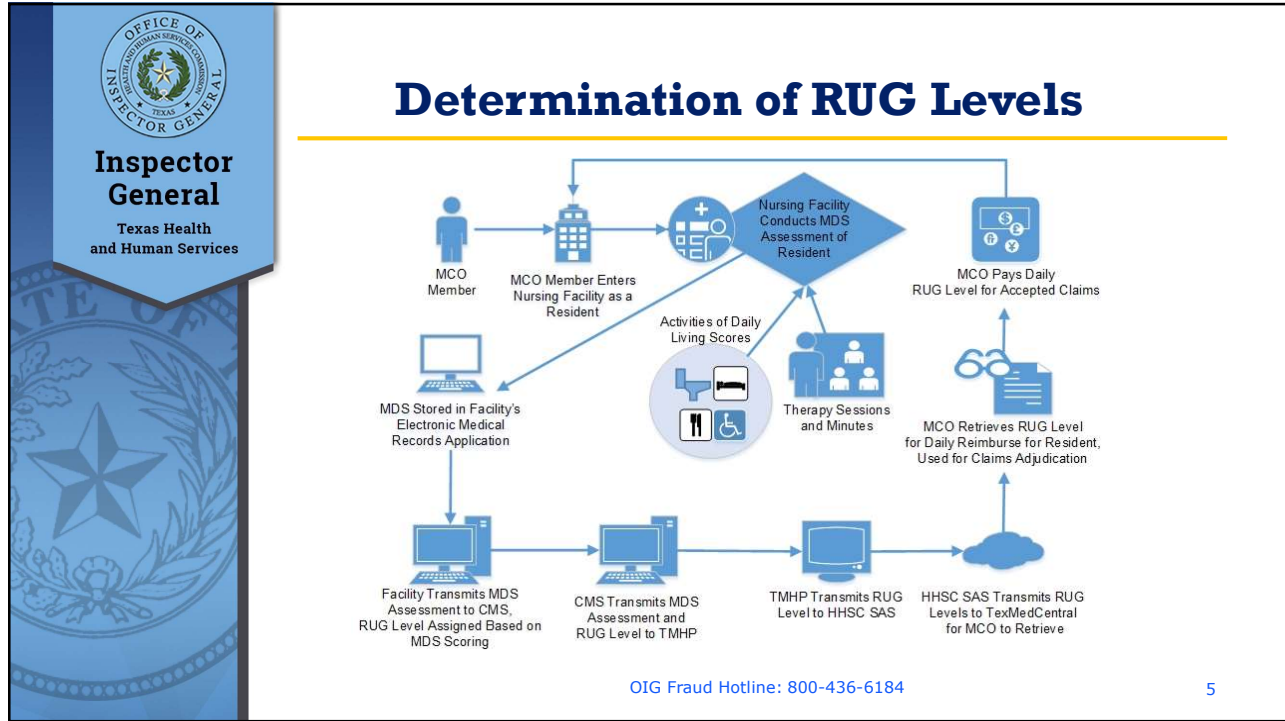
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Terminology

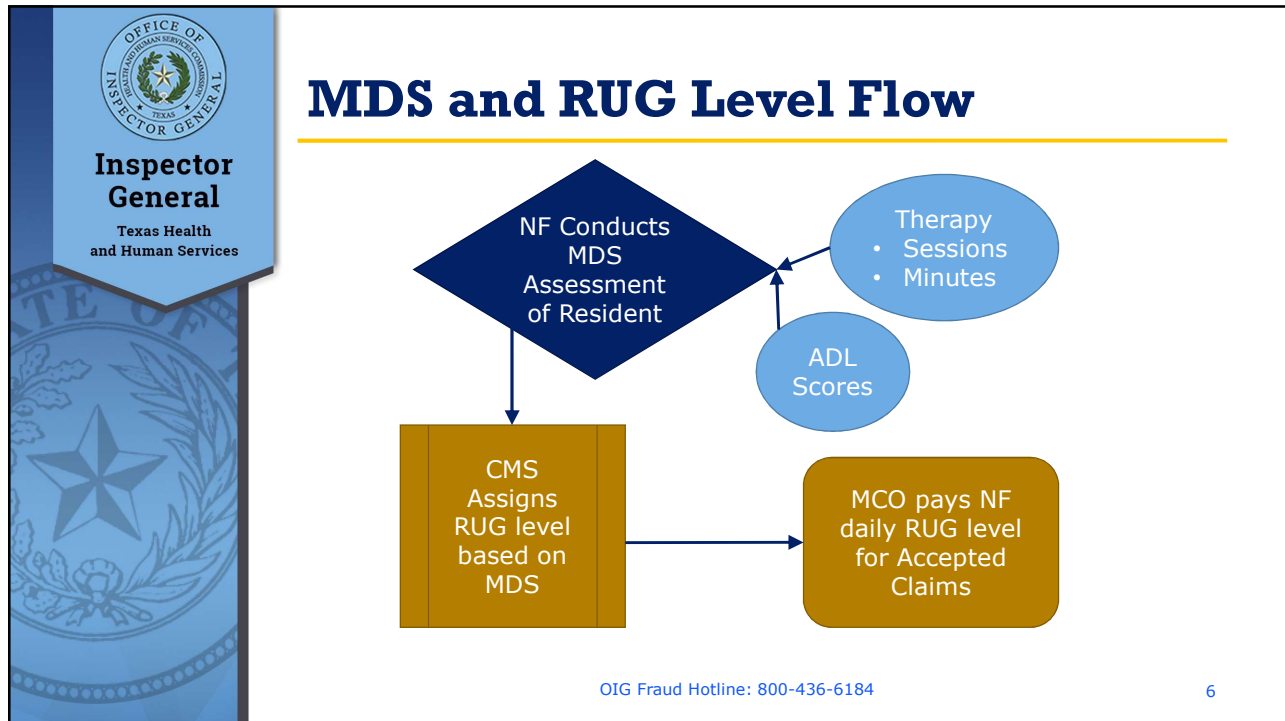
- Nursing Facility (NF)
- Minimum Data Set (MDS)
- Resource Utilization Group (RUG)
- Look-Back Period
- Therapy Week
- Activities of Daily Living (ADL)

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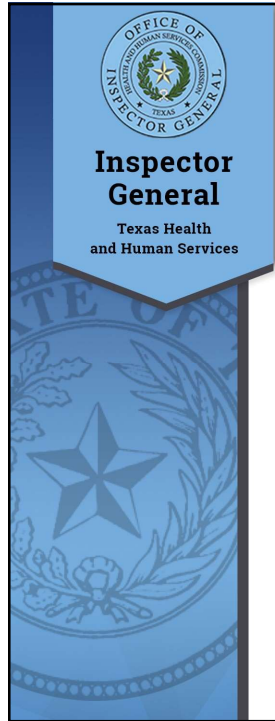
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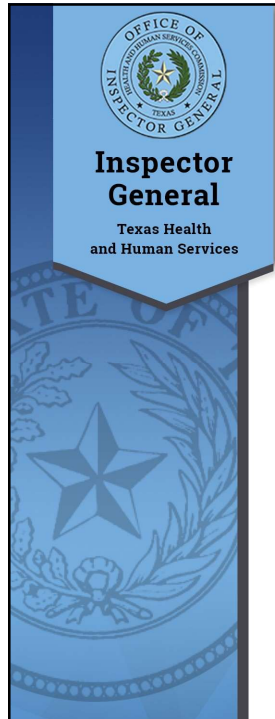
How NFs are Paid

- For a therapy RUG level, there must be at least 5 calendar days and 150 minutes of therapy during the look-back period.
- ADL scores, the frequency and duration of therapy, and other information are used to classify residents into RUG levels.
- Texas Medicaid policy allows nursing facilities from setting resident assessment dates that are not aligned with the nursing facility’s therapy week.

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Therapy Clustering

Sun.	Mon.	Tue.	Wed.	Thu.	Fri.	Sat.
	X		X		X	
			X	X	X	
	X	X			X	
	X		X		X	

- Therapy order is for three sessions per week.
- Nursing facility delivers three sessions per therapy week.
- During MDS look-back period, nursing facility schedules therapy around the weekend so that five therapy sessions are delivered in a seven-day period.

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Reasons for the Audits

Sunny Springs


- Initiated based on a referral from
OIG Utilization Review.
- Determine if therapy services were:
 - Consistent with physician orders.
 - In accordance with assessments and evaluations.

Mission

- Assess accuracy of therapy payments.
- Assess completeness of documentation.
- Determine if therapy services were:
 - Consistent with physician orders.
 - In accordance with assessments and evaluations.
 - In compliance with requirements.

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Sunny Springs

Methodology

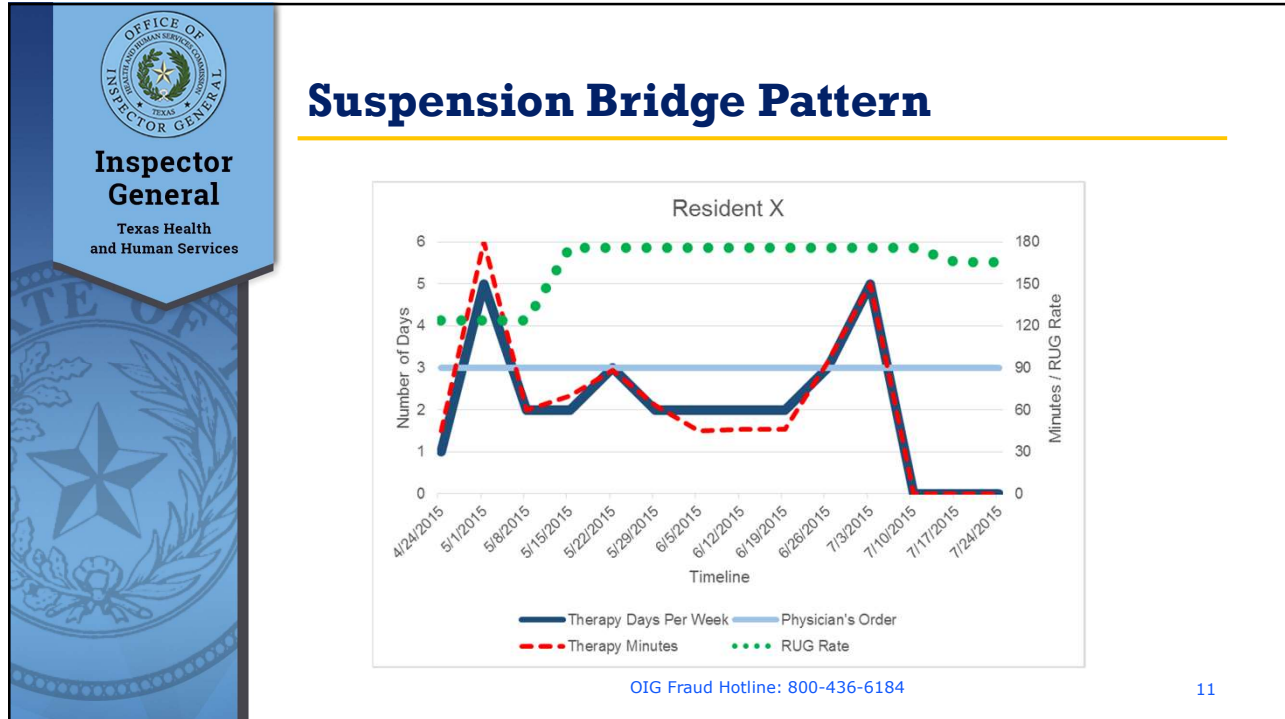
- Assessed medical records for all 48 residents
who received a therapy RUG level for more than
50 days between March 1, 2015, and July 31,
2016.
- Reviewed supporting documentation for therapy
services and related Medicaid billings.

Results


- Therapy days and minutes reported exceeded
amount prescribed due to clustering.
- RUG reimbursements from clustering were
\$225,824 (14 percent of total).

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Mission

Methodology


- Assessed medical records for 30 out of 138 residents who had the highest number of MDS assessment forms with a therapy RUG level, and with assessments that were administered between March 1, 2015, and March 31, 2017.
- Reviewed supporting documentation for therapy services and related Medicaid billings for the 30 residents whose records were reviewed.

Results

- Therapy days and minutes reported exceeded amount prescribed due to clustering.
- RUG reimbursements from clustering were \$692,952 (36 percent of total).

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Statewide Assessment

Objective


- Estimate the financial impact of nursing facilities' practice of clustering the scheduling of resident therapy sessions during MDS assessment look-back periods.

Scope

- MDS assessments that established therapy RUG levels
- September 1, 2016 – August 31, 2017
- Associated MCO payments to NFs

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Statewide Assessment

Methodology


Sample of 150
Daily Care Rate Based on Clustering
– Daily Care Rate Without Clustering
Difference Applied to the Population

Results

- 59 of 150 (39 percent) indicated clustering
- \$198,883 estimated excess due to clustering
- \$39.2 million estimated impact of clustering in state fiscal year 2017

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Recommendation


Medicaid and CHIP Services:

Should specify in policy or procedure that therapy RUG levels should not be based on:

- More therapy than the days and duration in a physician's written order.
- An amount of therapy that would not qualify for a therapy RUG level if therapy decreases or ceases for a sustained period of time during a therapy RUG payment period.

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Additional Observations

Observed in all three audits:


- Incomplete medical records.
- Delayed certifications.
- Discontinuation of therapy within three weeks of MDS assessment.

Observed in Statewide Assessment:

- Therapy orders for two weeks (during which an MDS assessment was conducted).

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Letter to Texas NFs

Rehabilitative Services Best Practices

- Sent August 9 by Texas HHSC Medicaid and CHIP Services to nursing facilities.
- Functional declines that do not warrant an SCSA should be documented in clinical record.
- Therapy evaluation and treatment orders should have appropriate signatures.
- Therapy should be provided as reported on the most recent MDS, or per changes documented since the most recent MDS.
- Therapy provided at a different level than treatment orders should be clearly documented.

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Changes to NF Payment Methodology

- MCOs are required to reimburse nursing facilities based on the minimum reimbursement rate for nursing facilities under the managed care program set as set by HHSC.
- CMS currently calculates the RUG based on provider MDS assessment data, which HHSC uses to calculate the nursing facility reimbursement rate.
- CMS will replace the RUG methodology with new classification model, the Patient Driven Payment Model (PDPM).

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Changes to NF Payment Methodology – Timeline

- **3/1/2015** – Nursing facility services carved into managed care in Texas.
- **10/1/2019** – CMS will replace the RUG-IV Medicare Part A skilled nursing facility payment methodology with a new classification model, PDPM.
- **10/1/2020** – CMS will no longer calculate the RUG on the minimum data set (MDS) assessment.
- **9/1/2021** – Original date through which HHSC sets minimum reimbursement rate for nursing facilities.
- **9/1/2023** – Extension for HHSC to set minimum reimbursement rate for nursing facilities through SB 1519.

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Conclusion

Questions?

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Thank You

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