



RUG-IV: Strategies Ensure Compliance and Enhance Revenue

Presented by:

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430 BOSTON STREET, SUITE 104


TOPSFIELD, MA 01983

TEL: 978.887.8919 ● FAX: 978.887.3738

WWW.HARMONY-HEALTHCARE.COM




1-800-530-4413



RUG-IV: Strategies Ensure Compliance & Enhance Revenue

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Harmony Healthcare International, Inc.
Presented by:
Jen Pettis, RN, WCC, RAC-MT, C-NE
Director of Program Development

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Today's Agenda

- Review the RUG-IV reimbursement system including the 66 RUG categories and criteria
- Identify RUG leveling in relation to the MDS and be able to determine Medicare coverage criteria and skilled care
- Discuss useful strategies to help your organization and staff succeed in insulating Medicare Part A revenue for services provided

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DAILY SKILLED CARE

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Daily Skilled Care

- Provided on a **“daily”** basis:
 - ◆ **Rehabilitation** (PT, OT and/or SLP) must be at **least five days per week**
 - An isolated break of “a day or two” is allowable
 - ◆ **Skilled nursing** (or combination of nursing and rehabilitation) must be **seven days per week**
 - ◆ **Skilled restorative nursing** must be at **least six days per week**


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Daily Skilled Care

- Nature of service requires the skills of a licensed person (e.g. **technical or professional personnel**).
- Skilled services are provided **directly by or under general supervision** of a licensed nurse or therapist to assure the safety of the patient and to achieve the medically desired result
- **Diagnosis and prognosis do not determine what is skilled care** – it is the care of the patient that is the deciding factor

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Daily Skilled Care

- **Nursing ALWAYS anchors the patient in skilled care!**
- **Nursing documentation is key to insulation of revenue.**
- **Daily oversight of skilled nursing needs and identification of clinical indicators is critical.**

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Daily Skilled Care: Presumption of Coverage



- Recognizes the **strong likelihood** that beneficiaries assigned to one of the upper 52 RUG-IV groups during the immediate post-hospital period **require a covered level of care**
- Applies to **upper 52 groups** as encompassed by the following categories:
 - Extensive Services
 - Rehabilitation Plus Extensive Services
 - Rehabilitation
 - Special Care High
 - Special Care Low
 - Clinically Complex

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Daily Skilled Care: Presumption of Coverage



- The following example was given in the FY 2012 Final Rule while discussion Presumption:
 - ◆ While it is true that dialysis is one of the discrete indicators for assignment to a RUG within the Special Care Low category – a category to which the level of care presumption applies for a short period of time at the start of a SNF stay – **it is the totality of items and services included within a given RUG**, not any one specific coded service, that actually serves to justify the presumption.

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Daily Skilled Care: Presumption of Coverage



- This administrative presumption policy **does not supersede the SNF's responsibility to ensure that its decisions relating to level of care are appropriate and timely**, including a review to confirm that the services prompting the beneficiary's assignment to one of the upper 52 RUG-IV groups

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**Daily Skilled Care:
Management and Evaluation of
the Plan of Care**



- The development, management, and evaluation of a patient care plan, based on the physician's orders, constitute skilled nursing services when, in terms of the patient's physical or mental condition, these services require the involvement of skilled nursing personnel to meet the patient's medical needs, promote recovery and ensure medical safety.

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**Daily Skilled Care:
Management and Evaluation of
the Plan of Care**



- Example (from Chapter 8 of the Medicare Benefit Policy Manual): An aged patient is recovering from pneumonia, is lethargic, is disoriented, has residual chest congestion, is confined to bed as a result of his debilitated condition, and requires restraints at times. To decrease the chest congestion, the physician has prescribed frequent changes in position, coughing, and deep breathing.

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**Daily Skilled Care:
Management and Evaluation of
the Plan of Care**



- Example (cont.): While the residual chest congestion alone would not represent a high risk factor, the patient's immobility and confusion represent complicating factors which, when coupled with the chest congestion, could create high probability of a relapse.

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**Daily Skilled Care:
Management and Evaluation of
the Plan of Care**

■ **Example (cont.):** In this situation, **skilled overseeing of the non-skilled services** would be reasonable and necessary, pending the elimination of the chest congestion, **to assure the patient's medical safety.**

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**Daily Skilled Care:
Management and Evaluation of
the Plan of Care**

■ **KEY POINT:** The medical record as a whole must clearly establish that there was a **likely potential for serious complications** without skilled management.

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**Daily Skilled Care:
Observation and Assessment**

■ Observation and assessment are skilled services when **the likelihood of change in a patient's condition** requires skilled nursing or skilled rehabilitation personnel to identify and evaluate the patient's need for possible modification of treatment or initiation of additional medical procedures, **until the patient's treatment regimen is essentially stabilized.**

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Daily Skilled Care: Observation and Assessment



- Example (from Chapter 8 of the Medicare Benefit Policy Manual): A patient has been hospitalized following a heart attack, and following treatment but before mobilization, is transferred to the SNF.

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Daily Skilled Care: Observation and Assessment



- Example (Cont.): Because it is unknown whether exertion will exacerbate the heart disease, skilled observation is reasonable and necessary as mobilization is initiated, until the patient's treatment regimen is essentially stabilized.

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Daily Skilled Care: Observation and Assessment



- KEY POINT: If a patient was admitted for skilled observation but did not develop a further acute episode or other complications, the skilled observation services still are covered so long as there was a reasonable probability for such a complication or further acute episode.

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Daily Skilled Care: Teaching and Training Activities



- Teaching and training activities, which require skilled nursing or skilled rehabilitation personnel to teach a patient how to manage their treatment regimen, would constitute skilled services.

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Daily Skilled Care: Teaching and Training Activities



- Examples (from Chapter 8 of the Medicare Benefit Policy Manual):
 - ◆ Self-administration of injectable medications or a complex range of medications;
 - ◆ Teaching a newly diagnosed diabetic to administer insulin injections, to prepare and follow a diabetic diet, and to observe foot-care precautions; and
 - ◆ Teaching self-administration of medical gases to a patient.

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RUG-IV INTIMACY



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RUG-IV Classification System



- 8 Categories / 66 Groups
- Categories are split by:
 - ◆ Therapy Days, Disciplines, Minutes
 - ◆ ADL Score
 - ◆ Depression Indicator (the PHQ-9/PHQ-9OV)
 - ◆ Restorative Nursing
 - ◆ For Extensive Services, the types of services
- An *index-maximizing* system

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RUG-IV Rehab Plus Extensive



- Extensive Services used for Rehab Plus Extensive and Extensive Services:
 - ◆ Tracheostomy care
 - ◆ Ventilator/respirator
 - ◆ Isolation for active infectious disease while a resident

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Therapy Calculations



- Add the individual minutes, one-half of the concurrent minutes and one-quarter of the group minutes and record as **Total Minutes**


$$\begin{array}{r}
 \text{All individual} \\
 \text{minutes, one-half of the} \\
 \text{concurrent minutes and} \\
 \text{one-quarter of the} \\
 \text{group minutes and} \\
 \text{record as Total} \\
 \text{Minutes} \\
 + \\
 \text{Total Minutes}
 \end{array}$$

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Therapy Calculations

- If allocated group minutes (one-quarter) divided by Total Minutes is greater than 0.25, proceed to the next step

$\frac{1}{4}$ Group Minutes / Total Minutes = >.25?
If yes, proceed
If no, use total minutes to determine RUG

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Therapy Calculations

- Add individual minutes and one-half of concurrent minutes, multiply this sum by 4.0 and then divide by 3.0, and record as Adjusted Minutes.

All Individual + $\frac{1}{2}$ Concurrent SUM
then
$\frac{(SUM \times 4)}{3}$

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Therapy Calculations

- Decimal Points in Calculations:
 - ◆ Are retained in all steps EXCEPT when determining Total Therapy Minutes (sum of PT, OT and SLP)
 - ◆ When calculating Total Therapy Minutes record only the whole number with all values after the decimal dropped

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Rehab and Rehab Plus Categories Short Stay Assessment



- Qualifiers are unchanged
- Must meet all **eight criteria** as defined in the *RAI User's Manual*, Chapter 6
- Use **Short Stay Algorithm**
- RUG-IV score based on **average daily minutes** (that is total minutes divided by days that therapy orders are in effect – including non-therapy days)

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Rehab and Rehab Plus Categories Short Stay Assessment



- 15-29 average daily therapy minutes = RL_
- 30-64 average daily therapy minutes = RM_
- 65-99 average daily therapy minutes = RH_
- 100-143 average daily therapy minutes = RV_
- ≥ 144 average daily therapy minutes = RU_

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RUG-IV Extensive Services



- Tracheostomy care
- Ventilator/respirator
- Isolation for active infectious disease while a resident.
- ES3 (2-16) ES2 (2-16) ES1 (2-16)
- With an ADL score of 0 or 1, resident falls to Clinically Complex RUG

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**RUG-IV
Depression End Splits**

- Depression End Splits: Signs and symptoms of depression are used as a third-level split for the Special Care and Clinically Complex categories
 - ◆ D0300 PHQ-9 Total Severity Score is greater than or equal to 10 but not 99
 - or
 - ◆ D0600 PHQ-90V Total Severity Score is greater than or equal to 10

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**RUG-IV
Special Care**

- Special Care High:
 - ◆ HE2 & HE1 (15-16) HD2 & HD1 (11-14)
 - ◆ HC2 & HC1 (6-10) HB2 & HB1 (2-5)
- Special Care Low:
 - ◆ LE2 & LE1 (15-16) LD2 & LD1 (11-14)
 - ◆ LC2 & LC1 (6-10) LB2 & LB1 (2-5)
- With an ADL score of 0 or 1, resident falls to Clinically Complex RUG

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**RUG-IV
Special Care High**

- Comatose (must be ADL dependent or ADL did not occur)
- Septicemia
- Diabetes with both daily insulin injections and insulin order changes (2 out of 7 days)
- Quadriplegia and ADL ≥ 5
- COPD and SOB when lying flat

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RUG-IV Special Care High



- Fever and one of the following:
 - ◆ Pneumonia
 - ◆ Vomiting
 - ◆ Weight loss
 - ◆ Feeding tube (with calorie/CC requirements met)
- IV Fluids
- Respiratory therapy (7 days)

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RUG-IV Special Care Low



- Cerebral Palsy with ADL score of ≥ 5
- Multiple Sclerosis with ADL score of ≥ 5
- Parkinson's Disease with ADL score of ≥ 5
- Respiratory failure and oxygen while a resident
- Tube feeding with intake requirement met
- Two or more stage 2 pressure ulcers or one stage 3, 4 or unstageable due to eschar/slough with 2 or more treatments (certain treatments apply)

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RUG-IV Special Care Low



- Two or more venous/arterial ulcers or one stage 2 pressure ulcer and one venous/arterial ulcer with two or more treatments (certain treatments apply)
- Foot infection, diabetic foot ulcer or other open lesion of foot with dressings
- Radiation treatment while a resident
- Dialysis treatment while a resident

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**RUG-IV
Clinically Complex**

- CE2 & CE1 (15-16)
- CD2 & CD1 (11-14)
- CC2 & CC1 (6-10)
- CB2 & CB1 (2-5)
- CA2 & CA1 (0-1)
- Includes Extensive Services and Special Care patients with an ADL score of 0 or 1

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**RUG-IV
Clinically Complex**

- Pneumonia
- Hemiplegia/hemiparesis with an ADL score of ≥ 5
- Surgical wounds or open lesions with certain skin treatments
- Burns
- Chemotherapy while a resident
- Oxygen while a resident
- IV medications while a resident
- Transfusion while a resident

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**RUG-IV
Behavioral Systems and
Cognitive Performance**

- Behavior and/or cognitive combined.
- Restorative nursing end split-provided for 15 or more minutes a day for 6 or more of the last 7 days
- ADL Score 5 or less
- BB1 & BB2 (2-5)
- BA1 & BA2 (0-1)

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RUG-IV Reduced Physical Function



- PE1 & PE2 (15-16)
- PD1 & PD2 (11-14)
- PC1 & PC2 (6-10)
- PB1 & PB2 (2-5)
- PA1 & PA2 (0-1)

- Restorative nursing end-split

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MDS SCHEDULING



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NEW MDS 3.0 Assessment Schedule




MDS Assessment/Type	Assessment Reference Date	Grace Days	# of Eliminated Days	Reason for Assessment (A0310B code)	Medicare Payment Days
5 Day /Return	1-5	6-8	0	01	1-14
14 Day	13-14	15-18	3	02	15-30
30 Day Full	27-29	30-33	7	03	31-60
60 Day Full	57-59	60-63	7	04	61-90
90 Day Full	87-89	90-93	7	05	91-100

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Unscheduled PPS Assessments

- OBRA-Required Assessments effecting RUG-IV:
 - ◆ Significant Change in Status Assessment
 - ◆ Significant Correction to a Prior Comprehensive Assessment
- Start of Therapy Other Medicare-Required Assessment (SOT OMRA)
- End of Therapy OMRA (EOT OMRA)
- SOT and EOT OMRA
- Change of Therapy (COT) OMRA


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Change of Therapy OMRA

- Effective October 1, 2011, Change of Therapy (COT) OMRA, for patients classified into a RUG-IV therapy group, whenever the **intensity of therapy** (that is, the total RTM delivered) **changes** to such a degree it **no longer reflects** the RUG-IV classification and payment assigned for a given SNF resident based on the most recent assessment used for Medicare payment

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Change of Therapy OMRA

- CMS: "We would like to stress that SNFs would be required to complete a COT OMRA only if the **intensity of therapy changes** to such an extent that the patient's RUG classification, based on their last PPS assessment, is **no longer an accurate representation** of the patient's current clinical condition"
- COT does **not** include ADLs or nursing services provided – **consider therapy only**

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Change of Therapy OMRA



- This applies whether the change in therapy is a **scheduled change or an unscheduled or unplanned change**, and whether the different **RUG category is higher or lower** than the RUG category in which the resident is currently placed.
- Per CMS: **Don't just consider what but also consider why.**

Change of Therapy OMRA




- The ARD for the COT OMRA would be set for day 7 of a COT observation period
- **Rolling 7 day window**
 - ◆ Beginning on the day following the ARD set for the most recent scheduled or unscheduled PPS assessment OR
 - ◆ The day therapy resumes in cases where an EOT-R OMRA is completed
- **Ends each 7th calendar day thereafter**

Change of Therapy OMRA



- **Strategies for Implementation:**
 - ◆ Daily monitoring of running minutes
 - ◆ Utilization of PPS Tracker
 - ◆ **Daily Minute Management Meeting with MDS and Rehab**
 - ◆ Create "check book" debits of missed days and minutes
 - ◆ Monitor for lower as well as **higher** classifications






Change of Therapy OMRA

- Strategies for Implementation:
 - ◆ Mark "Check Points" on PPS Tracker
 - ◆ **Education and training** for every therapist to monitor level of care weekly
 - ◆ Post and highlight chosen **ARD** for each patient on weekly billing log
 - ◆ Staff must familiarize themselves with the **HIPPS Assessment Indicators** in order to understand payment effects of unscheduled assessments


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OMRAs: Setting the ARD

- For the Change of Therapy (COT) OMRA, End of Therapy (EOT) OMRA, and Start of Therapy (SOT) OMRA, the decision for which day within the allowable ARD window the ARD of the assessment will be set may be made **after the window** has passed.


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Completing Resident Interviews on COT OMRAs


- Providers are encouraged to complete resident interviews in as timely a manner as possible
- Interviews for COT OMRAs may occur **one to two days after the ARD**
- CMS expects most OMRAs will not catch providers by surprise

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PHQ-9 and PHQ-9OV


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D0200: Mood Interview (PHQ-9)

- Record the resident's responses as they are stated, regardless of whether the resident or the assessor attributes the symptom to something other than mood
- Further evaluation of the clinical relevance of reported symptoms should be explored by the responsible clinician

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D0200: Mood Interview (PHQ-9)

- Look-back period = 14 days, including prior to admission.
- Conduct the interview **preferably** the day before or day of the ARD.
- Each question must be asked in sequence to assess presence (column 1) and frequency (column 2) before proceeding to the next question.
- If the resident has difficulty selecting between two frequency responses, code for the higher frequency.
- PHQ-9OV, very similar but has 10 questions

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Keys to Ensuring Accuracy



- PHQ-9 is a single point in time interview
- PHQ-9OV should include information from all shifts and disciplines
- Competence of assessors should be evaluated
- Cue cards from **Appendix E of the RAI User's Manual** improve the interview process
- Staff conducting interviews should use strategies from **Appendix D: Interviewing to Increase Resident Voice**

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PHQ-9/PHQ-9OV Scoring Part A Impact



- Patient has COPD and shortness of breath while lying flat
- ADL Score = 15
- PHQ-9 Total Severity Score = 10
- RUG Score = HE2
- HE2 = \$454.49 per day

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PHQ-9/PHQ-9OV Scoring Part A Impact



- Patient has COPD and shortness of breath while lying flat
- ADL Score = 15
- PHQ-9 Total Severity Score = 9
- RUG Score = HE1
- HE1 = \$377.39 per day

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PHQ-9/PHQ-9OV Scoring Part A Impact



Dollar Impact (per day) = **\$77.10**

Dollar impact (per 30 days) = **\$2313**

x10 patients = **\$23130**

x12 months = **\$277,560.00**

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ACTIVITY OF DAILY LIVING (ADL) MDS CODING AND SCORING



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Activities of Daily Living (ADLs) Key Points Regarding MDS Coding



- The intent is to capture **what the resident actually does**, not what they could, would or should do.
- Assistance needed **varies** from day to day, from shift to shift and even during a particular shift
- The reason that the assistance was required is **irrelevant**; it simply matters that it was needed.

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Self Performance = 0 (Independent)


- No help or staff oversight at any time (and ADL occurred at least three times)



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Self Performance = 1 (Supervision)

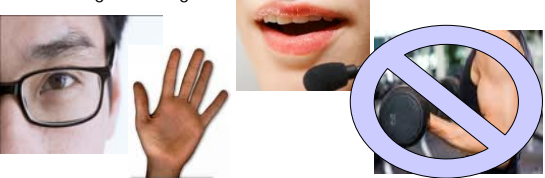
- Oversight, encouragement, or cueing was provided three or more times



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Self Performance = 2 (Limited Assistance)

- Resident was highly involved in activity and received physical help in guided maneuvering of limb(s) or other non-weight-bearing assistance three or more times



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Self Performance = 3 (Extensive Assistance)



- Weight-bearing support provided
- Full staff performance of activity during part but not all of the activity
- Three or more instances of weight bearing assistance



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Self Performance = 4 (Total Dependence)



- Full staff performance of an activity with **no participation by resident** for any aspect of the ADL activity occurred three or more times
- The resident must be **unwilling or unable** to perform any part of the activity

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ADL Occurred Two or Fewer Times



(7) Activity occurred only once or twice – activity did occur but only once or twice


(8) Activity did not occur – activity (or any part of the ADL) was not performed by resident or staff at all over the entire 7 day period

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Instructions for the Rule of 3

- When an activity occurs three times at any one given level, code that level.
- When an activity occurs three times at multiple levels, code the most dependent, exceptions are independent (0), total dependence (4) and activity did not occur (8)
 - ◆ Example: three times extensive (3) and three times limited (2), code extensive assistance (3)


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Instructions for the Rule of 3

- When an activity occurs at various levels, but not three times at any given level, apply the following:
 - ◆ When there is a combination of full staff performance (4), and extensive assistance (3), code extensive assistance (3).
 - ◆ When there is a combination of full staff performance (4), weight bearing assistance (3) and/or non-weight bearing assistance (2) code limited assistance (2)

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Instructions for the Rule of 3

- If none of the preceding rules are met, code supervision (1)
- Use the **ADL Algorithm Chart** (*RAI User's Manual* page G-6) to guide ADL coding decisions

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Activities of Daily Living (ADL)



- **ADL Support Provided:** Code for most support provided over all shifts; code regardless of resident's self-performance classification

◆ **Coding:**

- 0. No setup or physical help from staff
- 1. Setup help only
- 2. One person physical assist
- 3. Two+ persons physical assist
- 8. ADL activity itself did not occur during entire period

The Four Late Loss Activities of Daily Living (ADLs)



- Bed Mobility
- Transfer
- Eating
- Toilet Use

The Late Loss ADLs Defined



- **Bed mobility** - how resident moves to and from lying position, turns side to side, and positions body while in bed or alternate sleep furniture
- **Transfer** - how resident moves between surfaces including to or from: bed, chair, wheelchair, standing position (excludes to/from bath/toilet)

HHI HHI HHI

The Late Loss ADLs Defined

- Eating** - how resident eats and drinks, regardless of skill. Do not include eating/drinking during medication pass. Includes intake of nourishment by other means (e.g., tube feeding, total parenteral nutrition, IV fluids administered for nutrition or hydration)
- Toilet use** - how resident uses the toilet room, commode, bedpan, or urinal; transfers on/off toilet; cleanses self after elimination; changes pad; manages ostomy or catheter; and adjusts clothes. Do not include emptying of bedpan, urinal, bedside commode, catheter bag or ostomy bag

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RUG-IV ADL SCORE

Step One

- To calculate the ADL score use the following chart for bed mobility (G0110A), transfer (G0110B), and toilet use (G0110I).

Self-Performance Column 1	Support Column 2	ADL Score
-,0,1,7 or 8	Any number	0
2	Any number	1
3	-,0-2	2
4	-,0-2	3
3 or 4	3	4

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RUG-IV ADL SCORE

Step Two

- To calculate the ADL score for eating (G0110H), use the following chart.

Self-Performance Column 1	Support Column 2	ADL Score
-,0,1,2, 7 or 8	-,0, 1,8	0
-,0,1,2, 7 or 8	2 or 3	2
3 or 4	-,0, 1	2
3	2 or 3	3
4	2 or 3	4

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RUG-IV ADL SCORE Step Three



- Add the four scores for the total ADL score
- Ranges from 0-16

- Note: The following slides demonstrate ADL coding dollar impacts using the unadjusted FY2012 Federal Urban Rates

ADL Scoring Part A Impact



- ◆ Bed Mobility: 3,3 = 4
 - ◆ Transfer: 3,2 = 2
 - ◆ Toileting: 3,3 = 4
 - ◆ Eating: 1,2 = 2
- Total 12

RVC = \$479.38 per day
 \$479.38 x 30 days = \$14,381.40


ADL Scoring Part A Impact



- ◆ Bed Mobility: 3,2 = 2
 - ◆ Transfer: 3,2 = 2
 - ◆ Toileting: 3,3 = 4
 - ◆ Eating: 1,2 = 2
- Total 10

RVB = \$415.13 per day
 \$415.13 x 30 days = \$12,453.90






ADL Scoring Part A Impact

Dollar impact (1 patient) = **\$1,927.50**

x30 patients = **\$57,825.00**

x12 months = **\$693,900.00**


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ADL Scoring Part A Impact

- Patient receiving 720 minutes of therapy with one discipline for at least five days per week and a second discipline for at least three days per week = Rehab Ultra RUG
- ADL Score = 6
- RUB = \$558.79 per day

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ADL Scoring Part A Impact

- Patient receiving 720 minutes of therapy with one discipline for at least five days per week and a second discipline for at least three days per week = Rehab Ultra RUG
- ADL Score = 5
- RUA = \$467.23 per day

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ADL Scoring Part A Impact


Dollar Impact (per day) = **\$91.56**

Dollar impact (per 30 days) = **\$2,746.80**

x30 patients = **\$82,404.00**

x12 months = **\$988,848.00**


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ADL Scoring Part A Impact

- Patient receiving 325 minutes of therapy with one discipline for at least five days per week = Rehab High RUG
- ADL Score = 11
- RHC = \$417.71 per day

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ADL Scoring Part A Impact

- Patient receiving 325 minutes of therapy with one discipline for at least five days per week = Rehab High RUG
- ADL Score = 5
- RHA = \$330.97 per day

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ADL Scoring Part A Impact


Dollar Impact (per day) = **\$86.74**

Dollar impact (per 30 days) = **\$2,602.20**

x30 patients = **\$78,066.00**

x12 months = **\$936,792.00**


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ADL Scoring Part A Impact

- Patient has a tracheostomy and does own trach care daily.
- ADL Score = 2
- RUG Score = ES2
- ES2 = **\$526.77 per day**

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ADL Scoring Part A Impact

- Patient has a tracheostomy and does own trach care daily.
- ADL Score = 1
- RUG Score = CA1
- ES2 = **\$223.19 per day**

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ADL Scoring Part A Impact

Dollar Impact (per day) = **\$303.58**

Dollar impact (per 100 days) = **\$30358.00**

This one point ADL error on just *one patient* results in a loss of over \$30,000 in Part A revenue!


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ADL Scoring Part A Impact

- Patient receiving 45 minutes of therapy with three days per week (any combination of three disciplines) = Rehab Low RUG
- ADL Score = 11
- RLB = \$356.78 per day

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ADL Scoring Part A Impact

- Patient receiving 45 minutes of therapy with three days per week (any combination of three disciplines) = Rehab Low RUG
- ADL Score = 10
- RLA but.....
- *Index Maximizes* to PC2 = \$274.59

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ADL Scoring Part A Impact

Dollar Impact (per day) = **\$82.19**
 Dollar impact (per 14 days) = **\$1,150.66**
 x10 patients = **\$11,506.60**
 x12 months = **\$138,079.20**

The patient is now in the “lower 14” and highly prone to audit by the FI/MAC!


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Key Points to Capture Accurate ADL Coding on the MDS 3.0

- Documentation to support coding is a must
- Focus on four late loss ADLs
- Accuracy begins at the bedside with the C.N.A. all three shifts (don't forget nights!)
- Ensure reporting and/or documentation all other disciplines regarding ADLs
- Educate frontline nursing staff as well as IDT
- Ensure an audit protocol (MDS and documentation)

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Harmony's Recommendations to Insulate Revenue

- Harmony recommends the following steps to insulate billed claims:
 1. Review the entire record for documentation from all disciplines that supports skilled care for the period being billed.
 2. Review documentation from the 7-day (or 14 if applicable) look back period. This information is the basis for why the team continued to provide skilled care.

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Harmony's Recommendations to Insulate Revenue



- 3. The best way to avoid nursing denials is proactive daily documentation of skilled services provided.
- 4. Therapy denials are avoidable with daily notations of each modality provided with weekly narrative notes summarizing skilled intervention. Documentation that states the therapist's expectation that the patient will continue to succeed toward set goal areas / revised goal areas.

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■ Jen Pettis, RN, WCC, RAC-MT, C-NE

- ◆ Questions?
- ◆ jpettis@harmony-healthcare.com
- ◆ 1-800-530-4413



■ For information about a free *RUG Analysis*

- ◆ Contact Matt McGarvey
- ◆ mmcgarvey@harmony-healthcare.com
- ◆ 518-477-0608

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**RUG-IV:
Strategies Ensure Compliance & Enhance Revenue**

HANDOUTS



REIMBURSEMENT

CLASSIFICATION GRID RUG-IV

RUGs Level	ADL Score	Requirements	MDS 3.0 Section
REHABILITATION/EXTENSIVE SERVICES			
ULTRA HIGH RUX RUL	11-16 2-10	<p><i>Residents needing both extensive medical services and physical or occupational therapy or speech-language pathology services.</i></p> <ul style="list-style-type: none"> Rx 720 minutes/week minimum AND At least 1 discipline 5 days/week AND A second discipline at least 3 days/week AND Tracheostomy care, ventilator/respirator or isolation for active infectious disease while a resident AND ADL score ≥ 2 See updated Extensive Services Category* 	O, A,B,C, 1,2,3,4
VERY HIGH RVX RVL	11-16 2-10	<p><i>Residents needing both extensive medical services and physical or occupational therapy or speech-language pathology services.</i></p> <ul style="list-style-type: none"> Rx 500 minutes/week minimum AND One discipline at least 5 days/week AND Tracheostomy care, ventilator/respirator or isolation for active infectious disease while a resident AND ADL score ≥ 2 See updated Extensive Services Category 	O, A,B,C, 1,2,3,4
HIGH RHX RHL	11-16 2-10	<p><i>Residents needing both extensive medical services and physical or occupational therapy or speech-language pathology services.</i></p> <ul style="list-style-type: none"> Rx 325 minutes/week minimum AND One discipline 5 days/week AND Tracheostomy care, ventilator/respirator or isolation for active infectious disease while a resident AND ADL score ≥ 2 See updated Extensive Services Category* 	O, A,B,C, 1,2,3,4



REIMBURSEMENT

CLASSIFICATION GRID (CONT.) RUG-IV

RUGs Level	ADL Score	Requirements	MDS 3.0 Section
REHABILITATION/EXTENSIVE SERVICES (Continued)			
MEDIUM RMX RML	11-16 2-10	<i>Residents needing both extensive medical services and PT, OT or SLP services.</i> <ul style="list-style-type: none"> • Rx 150 minutes/week minimum AND • 5 days/week across 3 disciplines AND • Tracheostomy care, ventilator/respirator or isolation for active infectious disease while a resident AND • ADL score >=2 • See updated Extensive Services Category* 	O, A,B,C, 1,2,3,4
LOW RLX	2-16	<i>Residents needing both extensive medical services and physical or occupational therapy or speech-language pathology services.</i> <ul style="list-style-type: none"> AND • 3 days any combo of 3 disciplines AND • Restorative nursing, 2 or more services, 6 or more days/week (see Reduced Physical Function for restorative nursing services) AND • Tracheostomy care, ventilator/respirator or isolation for active infectious disease while a resident AND • ADL score >=2 • See updated Extensive Services Category* 	O, A,B,C, 1,2,3,4
<p>*Updated Extensive Services:</p> <p>Extensive Services qualification based on ADL Sum > 2 and one of the following services:</p> <ul style="list-style-type: none"> • Tracheostomy Care • Ventilator / Respirator OR • Isolation for active infectious disease while a resident 			
REHABILITATION			
ULTRA HIGH RUC RUB RUA	11-16 6-10 0-5	In last 7 days: <ul style="list-style-type: none"> • Received 720 minutes/week minimum AND • At least 1 discipline 5 days/week AND • 2nd for at least 3 days/week 	O, A,B,C, 1,2,3,4
VERY HIGH RVC RVB RVA	11-16 6-10 0-5	In last 7 days: <ul style="list-style-type: none"> • Received 500 minutes/week minimum AND • At least 1 discipline 5 days/week 	O, A,B,C, 1,2,3,4



REIMBURSEMENT

CLASSIFICATION GRID (CONT.)

RUG-IV

RUGs Level	ADL Score	Requirements	MDS 3.0 Section
SPECIAL REHABILITATION (Continued)			
HIGH RHC RHB RHA	11-16 6-10 0-5	In last 7 days: <ul style="list-style-type: none"> • Received 325 minutes/week minimum AND • At least 1 discipline -5 days/week 	O, A,B,C, 1,2,3,4
MEDIUM RMC RMB RMA	11-16 6-10 0-5	In last 7 days: <ul style="list-style-type: none"> • Received 150 minutes/week minimum AND • 5 days, any combo 3 disciplines 	O, A,B,C, 1,2,3,4
LOW RLB RLA	11-16 0-10	In last 7 days: <ul style="list-style-type: none"> • Received 45 minutes/week minimum AND • 3 days, any combo 3 disciplines AND • Restorative nursing, 2 or more services, 6 or more days/week (see Reduced Physical Function for restorative nursing services) 	O, A,B,C, 1,2,3,4
EXTENSIVE SERVICES			
		<i>Residents receiving the following complex clinical care:</i> <ul style="list-style-type: none"> • Tracheostomy Care OR • Ventilator / Respirator OR • Isolation for active infectious disease while a resident AND • ADL score >=2 Notes: Qualifiers count for end splits	O0100E2 O0100F2 O0100M2
ES3	2-16	<ul style="list-style-type: none"> • Tracheostomy care (while a resident) AND • Ventilator / Respirator (while a resident) 	O0100E2 O0100F2
ES2	2-16	<ul style="list-style-type: none"> • Tracheostomy care (while a resident) OR • Ventilator / Respirator (while a resident) 	O0100E2 O0100E2
ES1	2-16	<ul style="list-style-type: none"> • Isolation for active infectious disease (while a resident) 	O0100M2



REIMBURSEMENT

CLASSIFICATION GRID (CONT.) RUG-IV

RUGs Level		ADL Score	Requirements	MDS 3.0 Section		
SPECIAL CARE HIGH						
HE2 HE1	Yes No	15-16 15-16	<i>Residents receiving the following complex clinical care or with a following medical condition:</i> <ul style="list-style-type: none"> • Comatose and completely ADL dependent • Septicemia • Diabetes with daily injections requiring physician order changes on 2 or more days • Quadriplegia and ADL score ≥ 5 • Chronic obstructive pulmonary disease and shortness of breath when lying flat • Fever with <ul style="list-style-type: none"> - Pneumonia - Vomiting - Feeding tube - Weight loss • Parenteral/IV feedings • Respiratory therapy for 7 days AND • ADL score ≥ 2 <p>Notes: Signs of depression used for end splits; PHQ score $\Rightarrow 10$</p>	B, B0100 I, I2100 I, I2900; Section N, N0350,A I, I5100 I, I6200 J, J1550,A I, I2000 J, J1550,B K, K0500,B K, K0300 K, K0500,A O, O0400,D		
HD2 HD1	Yes No	11-14 11-14				
HC2 HC1	Yes No	6-10 6-10				
HB2 HB1	Yes No	2-5 2-5				
SPECIAL CARE LOW						
LE2 LE1	Yes No	15-16 15-16			<i>Residents receiving the following complex clinical care or with a following medical condition:</i> <ul style="list-style-type: none"> • Cerebral palsy and ADL score ≥ 5 • Multiple sclerosis and ADL score ≥ 5 • Parkinson's disease and ADL score ≥ 5 • Feeding tube (calories $\geq 51\%$ or calories = 26-50% and fluid ≥ 501 cc) • Ulcers with 2 or more skin treatments <ul style="list-style-type: none"> ▪ 2 or more stage II ▪ 1 or more stage III or IV pressure ulcers ▪ Unstageable secondary to slough/eschar ▪ 2 or more venous/arterial ulcers OR ▪ 1 stage II pressure ulcer AND ▪ 1 venous/arterial ulcer • Foot infection, diabetic foot ulcer or open lesions on the foot with treatment • Radiation therapy while a resident • Respiratory failure and oxygen therapy while a resident • Dialysis while a resident AND • ADL score ≥ 2 <p>Notes: Signs of depression used for end splits; PHQ score $\Rightarrow 10$</p>	I, I4400 I, I5200 I, I5300 K, K0700,A,B, M M, M0800,A M, M0800,B,C M, M1030 M, M-0800,A M, M1030 M, M1040,A,C O, O0100,B,2 I, I6300 O,O0100C O, O0100,J,2
LD2 LD1	Yes No	11-14 11-14				
LC2 LC1	Yes No	6-10 6-10				
LB2 LB1	Yes No	2-5 2-5				



REIMBURSEMENT

CLASSIFICATION GRID (CONT.) RUG-IV

RUGs Level		ADL Score	Requirements	MDS 3.0 Section
CLINICALLY COMPLEX				
CE2 CE1	Yes No	15-16 15-16	<i>Residents with Extensive Services, Special Care High or Special Care Low qualifier.</i> AND <ul style="list-style-type: none"> ADL score = 0-1 	
CD2 CD1	Yes No	11-14 11-14	<i>Residents with any one of the following clinically complex qualifiers:</i> <ul style="list-style-type: none"> Pneumonia Hemiplegia and ADL score ≥ 5 Surgical wounds or open lesions with treatment Burns Chemotherapy while a resident Oxygen while a resident IV medications while a resident Transfusions while a resident 	I, I2000 I, I4900
CC2 CC1	Yes No	6-10 6-10		M, M1040,E
CB2 CB1	Yes No	2-5 2-5		M, M1040,F O, O0100,A,2 O, O0100,C,2
CA2 CA1	Yes No	0-1 0-1	Notes: Signs of depression used for end splits: PHQ score ≥ 10	O, O0100,H,2 O, O0100,I,2
BEHAVIORAL SYMPTOMS AND COGNITIVE				
BB2 BB1 BA2 BA1	* ** * **	2-5 2-5 0-1 0-1	<i>Residents having cognitive impairment BIMS score ≤ 9 or CPS ≥ 3</i> OR <ul style="list-style-type: none"> Hallucinations or delusions OR <i>Residents displaying any of the following on 4 or more days over last 7 days:</i> <ul style="list-style-type: none"> Physical or verbal behavioral symptoms toward others Other behavioral symptoms Rejection of care Wandering AND <ul style="list-style-type: none"> ADL score ≤ 5 	C E0100A E0100B E, E0200,A,B,C E, E0300,1 E, E0900
	* 2 or more Restorative Services 6+ days ** Less Restorative Nursing		Notes: Restorative nursing used for end splits. See Reduced Physical Function for restorative nursing services count	



REIMBURSEMENT

MDS 3.0 CLASSIFICATION GRID (CONT.)

RUG-IV

RUGs Level	Restorative Nursing	ADL Score	Requirements	MDS 3.0 Section
REDUCED PHYSICAL FUNCTIONING				
PE2 PE1	* **	15-16 15-16	<i>Residents whose needs are primarily for activities of daily living and general supervision.</i> <ul style="list-style-type: none"> • Residents not qualifying for other categories • Restorative nursing services: <ul style="list-style-type: none"> ▪ Urinary and/or bowel training program ▪ Passive and/or active ROM ▪ Amputation/prosthesis care training ▪ Splint or brace assistance ▪ Dressing or grooming training ▪ Eating or swallowing training ▪ Transfer training ▪ Bed mobility and/or walking training ▪ Communication training <p>Notes: No clinical variables used</p>	O, 0500,A-J H, H0200/H0500
PD2 PD1	* **	11-14 11-14		
PC2 PC1	* **	6-10 6-10		
PB2 PB1	* **	2-5 2-5		
PA2 PA1	* **	0-1 0-1		
	*2 or more Restorative Services 6+ days			
	**Less Restorative Nursing			



**FY 2012 RUG-IV FEDERAL RATES URBAN
HIGHEST TO LOWEST
CASE MIX INDEX MAXIMIZING**

FY 2012 RUG-IV		
66 RUG-IV	Case Mix Index Urban	Rate
RUX	66	\$737.08
RUL	65	\$721.01
RVX	63	\$656.06
RVL	61	\$588.60
RHX	62	\$594.39
RHL	57	\$530.14
RMX	58	\$545.24
RML	55	\$500.27
RLX	53	\$478.85
RUC	60	\$558.79
RUB	59	\$558.79
RUA	51	\$467.23
RVC	54	\$479.38
RVB	47	\$415.13
RVA	46	\$413.52
RHC	48	\$417.71
RHB	40	\$375.95
RHA	26	\$330.97
RMC	38	\$366.95
RMB	32	\$344.47
RMA	18	\$283.43
RLB	37	\$356.78
RLA	7	\$229.89
ES3	64	\$672.93
ES2	56	\$526.77
ES1	52	\$470.55
HE2	50	\$454.49
HE1	41	\$377.39
HD2	49	\$425.57
HD1	36	\$354.90
HC2	44	\$401.48
HC1	29	\$335.63
HB2	43	\$396.66
HB1	28	\$332.42
LE2	45	\$412.73
LE1	33	\$345.26
LD2	42	\$396.66
LD1	27	\$332.42
LC2	35	\$348.48
LC1	19	\$293.87
LB2	25	\$330.81
LB1	15	\$281.02
CE2	39	\$367.75
CE1	31	\$338.84
CD2	34	\$348.48
CD1	23	\$319.57
CC2	21	\$305.11
CC1	17	\$282.62
CB2	16	\$282.62
CB1	13	\$261.74
CA2	9	\$239.26
CA1	6	\$223.19
BB2	11	\$253.71
BB1	10	\$242.47
BA2	4	\$210.34
BA1	3	\$200.71
PE2	30	\$338.84
PE1	24	\$322.78
PD2	22	\$319.57
PD1	20	\$303.50
PC2	14	\$274.59
PC1	12	\$261.74
PB2	8	\$232.83
PB1	5	\$223.19
PA2	2	\$192.68
PA1	1	\$184.64

FY 2012 RUG-IV Rate Highest to Lowest		
66 RUG-IV	Case Mix Index Urban	Rate
RUX	66	\$737.08
RUL	65	\$721.01
ES3	64	\$672.93
RVX	63	\$656.06
RHX	62	\$594.39
RVL	61	\$588.60
RUC	60	\$558.79
RUB	59	\$558.79
RMX	58	\$545.24
RHL	57	\$530.14
ES2	56	\$526.77
RML	55	\$500.27
RVC	54	\$479.38
RLX	53	\$478.85
ES1	52	\$470.55
RUA	51	\$467.23
HE2	50	\$454.49
HD2	49	\$425.57
RHC	48	\$417.71
RVB	47	\$415.13
RVA	46	\$413.52
LE2	45	\$412.73
HC2	44	\$401.48
HB2	43	\$396.66
LD2	42	\$396.66
HE1	41	\$377.39
RHB	40	\$375.95
CE2	39	\$367.75
RMC	38	\$366.95
RLB	37	\$356.78
HD1	36	\$354.90
LC2	35	\$348.48
CD2	34	\$348.48
LE1	33	\$345.26
RMB	32	\$344.47
CE1	31	\$338.84
PE2	30	\$338.84
HC1	29	\$335.63
HB1	28	\$332.42
LD1	27	\$332.42
RHA	26	\$330.97
LB2	25	\$330.81
PE1	24	\$322.78
CD1	23	\$319.57
PD2	22	\$319.57
CC2	21	\$305.11
PD1	20	\$303.50
LC1	19	\$293.87
RMA	18	\$283.43
CC1	17	\$282.62
CB2	16	\$282.62
LB1	15	\$281.02
PC2	14	\$274.59
CB1	13	\$261.74
PC1	12	\$261.74
BB2	11	\$253.71
BB1	10	\$242.47
CA2	9	\$239.26
PB2	8	\$232.83
RLA	7	\$229.89
CA1	6	\$223.19
PB1	5	\$223.19
BA2	4	\$210.34
BA1	3	\$200.71
PA2	2	\$192.68
PA1	1	\$184.64

Tracheostomy Care AND Ventilator while a

Tracheostomy Care OR Ventilator while a

Isolation for active infectious disease while a

ADL score 15-16 with Comatose, Septicemia, Diabetes with daily injections and 2 or more days of MD order changes, Quadriplegia with ADL score greater than or equal to 5, COPD and shortness of breath while lying flat, fever with pneumonia or vomiting or feeding tube or weight loss, Parenteral/IV feedings, Respiratory Therapy for 7 days. PHQ

Same as HE2 with ADL score 11-14, PHQ score greater than or equal to 10.

ADL score 15-16 with CP, MS, Parkinson's disease, Feeding tube, Ulcers with 2 or more skin treatments, foot infection, diabetic foot ulcer or open lesion on foot with treatments, Radiation therapy while a resident, Respiratory failure and O2 therapy, Dialysis. PHQ score greater than or equal to 10.

Same as HE2 with ADL score 6-10, PHQ score greater than or equal to 10.

Same as HE2 with ADL score 2-5, PHQ score greater than or equal to 10.

Same as LE2 with ADL score 11-14, PHQ score greater than or equal to 10.

HARMONY HEALTHCARE INTERNATIONAL, INC.

430 Boston Street, Suite 104, Topsfield, MA 01983 ♦ Tel: 978-887-8919 ♦ Fax: 978-887-3738

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**FY 2012 RUG-IV FEDERAL RATES RURAL
HIGHEST TO LOWEST
CASE MIX INDEX MAXIMIZING**

FY 2012 RUG-IV		
66 RUG-IV	Case Mix Index Rural	Wage Adjusted Rate
RUX	66	\$754.11
RUL	65	\$738.76
RVX	64	\$662.59
RVL	62	\$598.14
RHX	61	\$593.39
RHL	57	\$532.01
RMX	58	\$539.27
RML	55	\$496.30
RLX	52	\$469.37
RUC	60	\$583.77
RUB	59	\$583.77
RUA	54	\$496.30
RVC	53	\$493.78
RVB	49	\$432.40
RVA	48	\$430.87
RHC	47	\$424.59
RHB	41	\$384.69
RHA	34	\$341.72
RMC	40	\$368.93
RMB	36	\$347.44
RMA	19	\$289.13
RLB	37	\$352.74
RLA	8	\$231.51
ES3	63	\$649.90
ES2	56	\$510.25
ES1	51	\$456.54
HE2	50	\$441.19
HE1	39	\$367.53
HD2	46	\$413.57
HD1	35	\$346.05
HC2	44	\$390.55
HC1	28	\$327.63
HB2	43	\$385.95
HB1	27	\$324.56
LE2	45	\$401.29
LE1	31	\$336.84
LD2	42	\$385.95
LD1	26	\$324.56
LC2	33	\$339.91
LC1	18	\$287.73
LB2	25	\$323.03
LB1	15	\$275.45
CE2	38	\$358.32
CE1	30	\$330.70
CD2	32	\$339.91
CD1	23	\$312.28
CC2	21	\$298.47
CC1	17	\$276.99
CB2	16	\$276.99
CB1	13	\$257.04
CA2	9	\$235.55
CA1	6	\$220.21
BB2	11	\$249.37
BB1	10	\$238.62
BA2	4	\$207.93
BA1	3	\$198.72
PE2	29	\$330.70
PE1	24	\$315.35
PD2	22	\$312.28
PD1	20	\$296.94
PC2	14	\$269.32
PC1	12	\$257.04
PB2	7	\$229.42
PB1	5	\$220.21
PA2	2	\$191.05
PA1	1	\$183.38

FY 2012 RUG-IV Rate Highest to Lowest		
66 RUG-IV	Case Mix Index Rural	Wage Adjusted Rate
RUX	66	\$754.11
RUL	65	\$738.76
RVX	64	\$662.59
ES3	63	\$649.90
RVL	62	\$598.14
RHX	61	\$593.39
RUC	60	\$583.77
RUB	59	\$583.77
RMX	58	\$539.27
RHL	57	\$532.01
ES2	56	\$510.25
RML	55	\$496.30
RUA	54	\$496.30
RVC	53	\$493.78
RLX	52	\$469.37
ES1	51	\$456.54
HE2	50	\$441.19
RVB	49	\$432.40
RVA	48	\$430.87
RHC	47	\$424.59
HD2	46	\$413.57
LE2	45	\$401.29
HC2	44	\$390.55
HB2	43	\$385.95
LD2	42	\$385.95
RHB	41	\$384.69
RMC	40	\$368.93
HE1	39	\$367.53
CE2	38	\$358.32
RLB	37	\$352.74
RMB	36	\$347.44
HD1	35	\$346.05
RHA	34	\$341.72
LC2	33	\$339.91
CD2	32	\$339.91
LE1	31	\$336.84
CE1	30	\$330.70
PE2	29	\$330.70
HC1	28	\$327.63
HB1	27	\$324.56
LD1	26	\$324.56
LB2	25	\$323.03
PE1	24	\$315.35
CD1	23	\$312.28
PD2	22	\$312.28
CC2	21	\$298.47
PD1	20	\$296.94
RMA	19	\$289.13
LC1	18	\$287.73
CC1	17	\$276.99
CB2	16	\$276.99
LB1	15	\$275.45
PC2	14	\$269.32
CB1	13	\$257.04
PC1	12	\$257.04
BB2	11	\$249.37
BB1	10	\$238.62
CA2	9	\$235.55
RLA	8	\$231.51
PB2	7	\$229.42
CA1	6	\$220.21
PB1	5	\$220.21
BA2	4	\$207.93
BA1	3	\$198.72
PA2	2	\$191.05
PA1	1	\$183.38

Tracheostomy Care AND Ventilator while a resident.

Tracheostomy Care OR Ventilator while a resident.

Isolation for active infectious disease while a resident.

ADL score 15-16 with Comatose, Septicemia, Diabetes with daily injections and 2 or more days of MD order changes, Quadriplegia with ADL score greater than or equal to 5, COPD and shortness of breath while lying flat, fever with pneumonia or vomiting or feeding tube or weight loss, Parenteral/IV feedings, Respiratory Therapy for 7 days. PHQ score greater than or equal to 10.

Same as HE2 with ADL score 11-14, PHQ score greater than or equal to 10.

ADL score 15-16 with CP, MS, Parkinson's disease, Feeding tube, Ulcers with 2 or more skin treatments, foot infection, diabetic foot ulcer or open lesion on foot with treatments, Radiation therapy while a resident, Respiratory failure and O2 therapy, Dialysis. PHQ score greater than or equal to 10.

Same as HE2 with ADL score 6-10, PHQ score greater than or equal to 10.

Same as HE2 with ADL score 2-5, PHQ score greater than or equal to 10.

Same as LE2 with ADL score 11-14, PHQ score greater than or equal to 10.

HARMONY HEALTHCARE INTERNATIONAL, INC.

430 Boston Street, Suite 104, Topsfield, MA 01983 ♦ Tel: 978-887-8919 ♦ Fax: 978-887-3738

www.harmony-healthcare.com



NEW MDS 3.0 ASSESSMENT SCHEDULE

MDS ASSESSMENT/TYPE	ASSESSMENT REFERENCE DATE	GRACE DAYS	# OF DAYS ELIMINATED	REASON FOR ASSESSMENT (A0310B CODE)	PAYMENT DAYS
5 Day /Return	1-5	6-8	0	01	1-14
14 Day	13-14	15-18	3	02	15-30
30 Day Full	27-29	30-33	7	03	31-60
60 Day Full	57-59	60-63	7	04	61-90
90 Day Full	87-89	90-93	7	05	91-100

Effective October 1, 2011

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