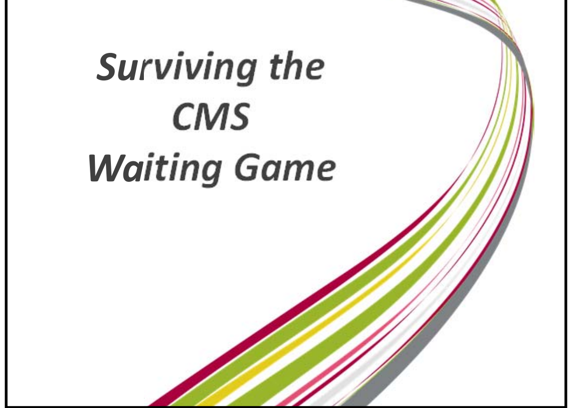

Kim Saylor, OTR/L

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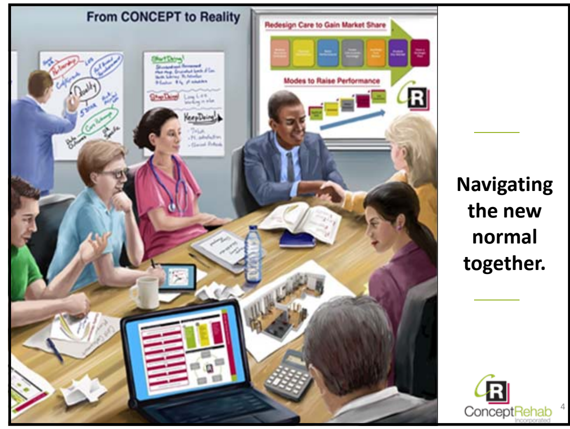
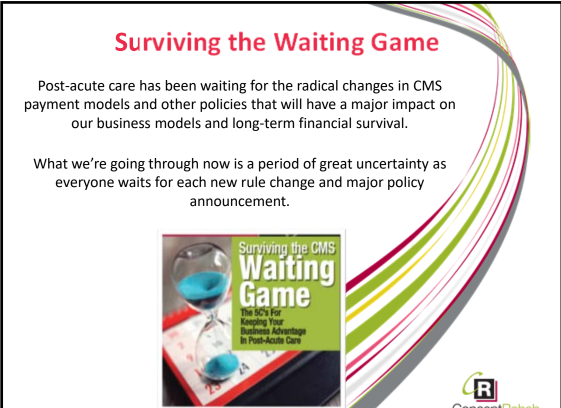
Objectives:

- Identify the impacts of CMS's pending payment changes and immediate operational changes to make to secure viability.
- Design advanced clinical pathways to deliver targeted patient care to reduce length of stay and prevent avoidable readmissions.
- Identify how streamlining claims management, diversifying service lines and "managing managed care" can positively impact cash flow.
- Evaluate the facility's care transition practices to assure referral relationships with upstream and downstream partnerships.
- Evaluate the facility's care transition practices to assure referral relationships with upstream and downstream partnerships





The Latest – 3/8/18
SNF Open Door Forum

"The ANPRM did not propose any policies, which also means that CMS has not finalized any policies associated with RCS-I,"

"As such, there does not exist any timeline for implementation of the RCS-I model. … We are considering comments. We are considering additional analyses that were suggested to us by stakeholders. "

"We hope that this alleviates any confusion or concern arising from the mistaken impression regarding the status of the RCS-I model."

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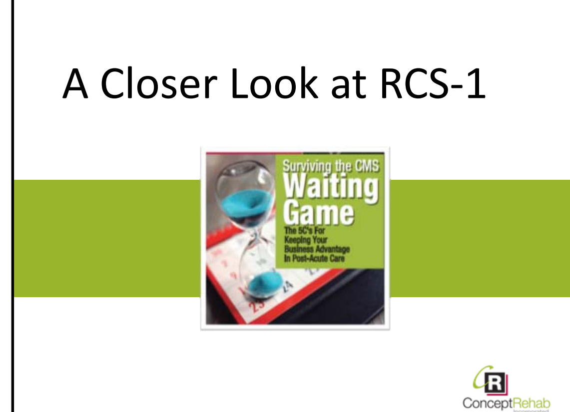
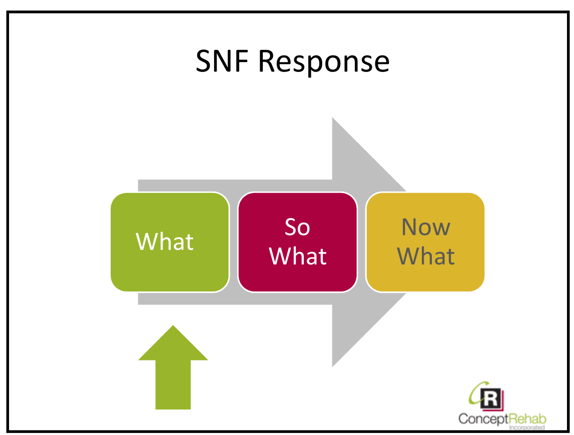
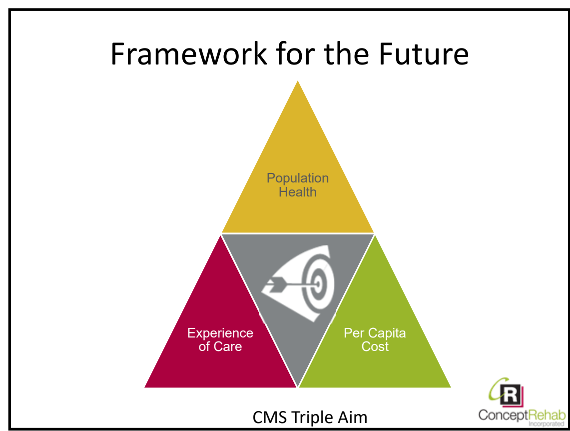

A Closer Look at RCS-1
Surviving the CMS
Waiting
Game
ConceptRehab


SNF Response
What
So
What
Now
What
ConceptRehab


Framework for the Future
Population
Health
Experience
of Care
Per Capita
Cost
CMS Triple Aim
ConceptRehab

RCS-1 Overview

What

Resident Classification System – V1
Proposed to replace case-mix model and RUG-IV. Unlike RUG-IV, RCS-1 replaces counting therapy minutes to determine payments with a model based on clinical characteristics

When

Advanced Notification of Proposed Rule
Announced 2nd quarter of 2017 with requests for comments accepted through June. No updates have been provided since. Earliest estimates are October, 2018

Why

CMS Goals
Compensation based on complexity of the resident and resources needed, address concerns over therapy delivery being based on financial rather than clinical, maintain simplicity

How

MDS Item I8000
The anchor diagnosis code in conjunction with 5 clinical characteristics results in RCS-1 case-mix score for reimbursement

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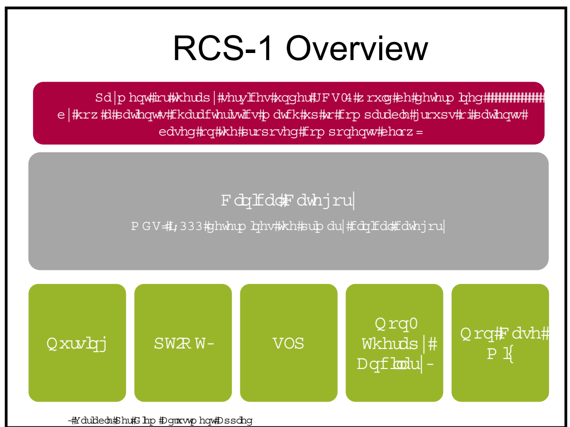
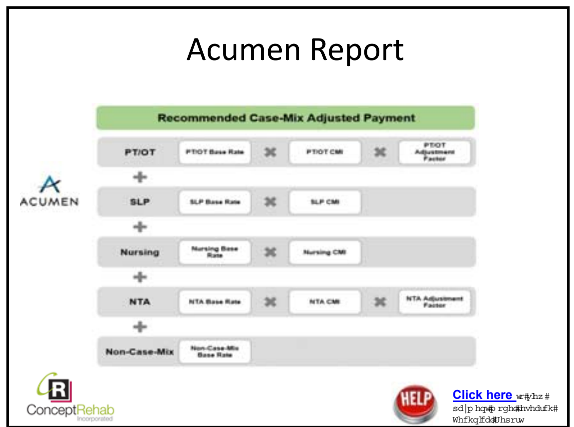
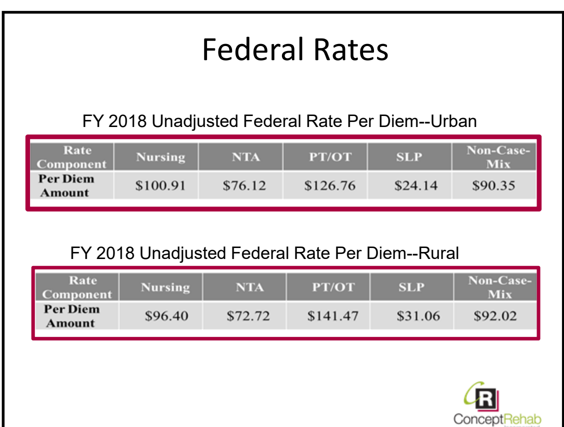






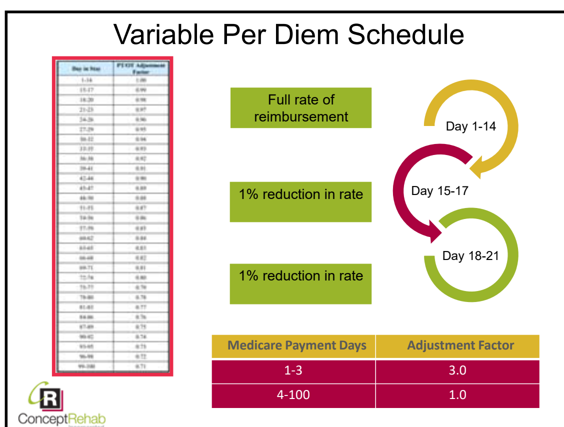
Federal Rates

FY 2018 Unadjusted Federal Rate Per Diem--Urban

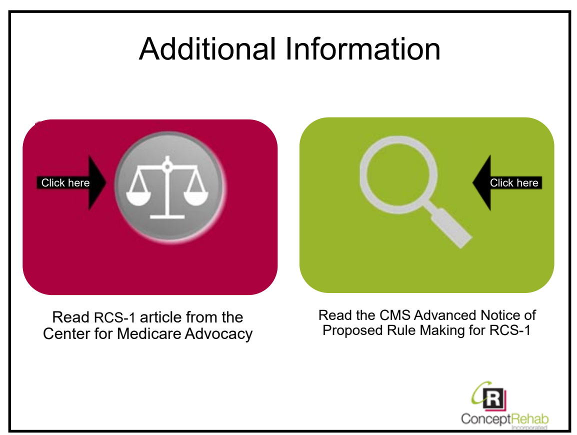
Rate Component	Nursing	NTA	PT/OT	SLP	Non-Case-Mix
Per Diem Amount	$100.91	$76.12	$126.76	$24.14	$90.35

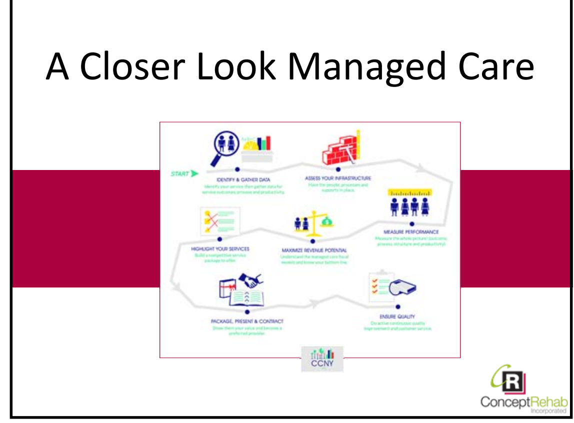
FY 2018 Unadjusted Federal Rate Per Diem--Rural

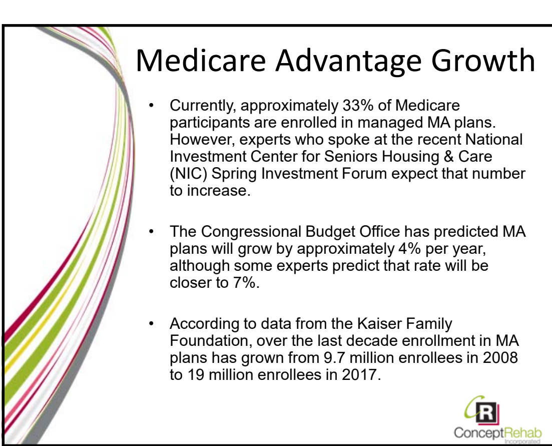
Rate Component	Nursing	NTA	PT/OT	SLP	Non-Case-Mix
Per Diem Amount	$96.40	$72.72	$141.47	$31.06	$92.02



Medicare Payment Days	Adjustment Factor
1-3	3.0
4-100	1.0




A Closer Look Managed Care
START
CCNY
ConceptRehab


Medicare Advantage Growth
• Currently, approximately 33% of Medicare participants are enrolled in managed MA plans. However, experts who spoke at the recent National Investment Center for Seniors Housing & Care (NIC) Spring Investment Forum expect that number to increase.
• The Congressional Budget Office has predicted MA plans will grow by approximately 4% per year, although some experts predict that rate will be closer to 7%.
• According to data from the Kaiser Family Foundation, over the last decade enrollment in MA plans has grown from 9.7 million enrollees in 2008 to 19 million enrollees in 2017.
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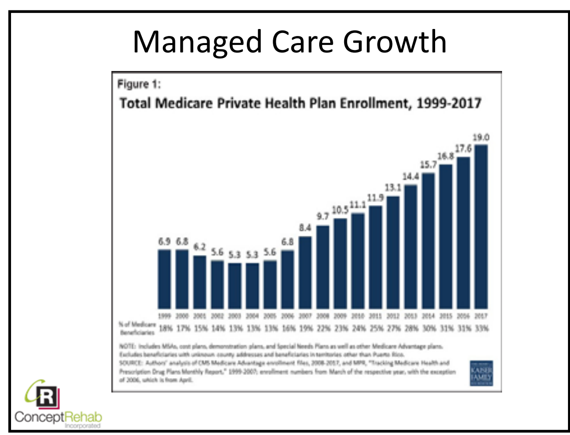
Managed Care Growth
Figure 1:
Total Medicare Private Health Plan Enrollment, 1999-2017
6.9 6.8 6.2 5.6 5.3 5.3 5.6 6.8 8.4 9.7 10.5 11.1 11.9 13.1 14.4 15.7 16.8 17.6 19.0
1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017
% of Medicare Beneficiaries 18% 17% 15% 14% 13% 13% 13% 16% 19% 22% 23% 24% 25% 27% 28% 30% 31% 31% 33%
NOTE: Includes MSAs, cost plans, demonstration plans, and Special Needs Plans as well as other Medicare Advantage plans. Excludes beneficiaries with unknown county addresses and beneficiaries in territories other than Puerto Rico.
SOURCE: Authors' analysis of CMS Medicare Advantage enrollment files, 2008-2017, and MPR, "Tracking Medicare Health and Prescription Drug Plans Monthly Report," 1999-2007; enrollment numbers from March of the respective year, with the exception of 2006, which is from April.
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Medicare Advantage Growth

- SNF's continues to face operating headwinds such as increased regulatory requirements, expense and staffing pressure, and reimbursement challenges.
- One of the biggest changes in recent years has come in the shift away from traditional Medicare reimbursement toward privately managed plans.
- As reported by the NIC, the growth in enrollees is coupled with all-time low reimbursement rates at $433 per patient day (PPD) through Q4 2017, a year-over-year decline of 2.7%.

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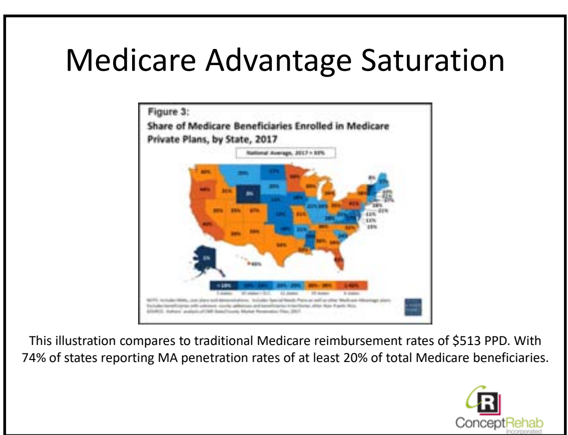
Medicare Advantage Saturation



This illustration compares to traditional Medicare reimbursement rates of $513 PPD. With 74% of states reporting MA penetration rates of at least 20% of total Medicare beneficiaries.

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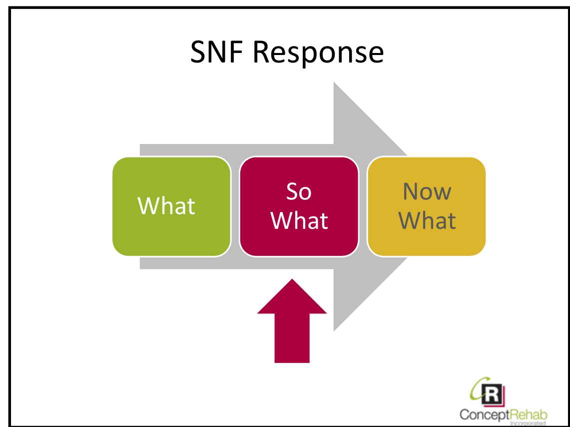
SNF Response



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Evaluating the Impact

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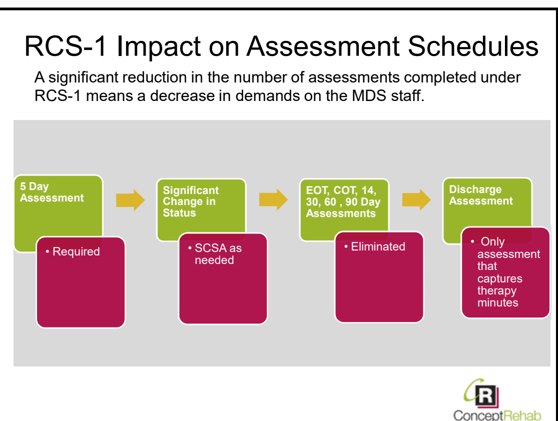
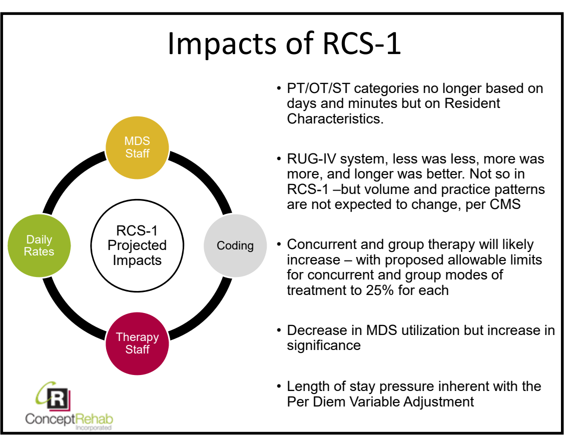
RCS-1 Impact on Assessment Schedules

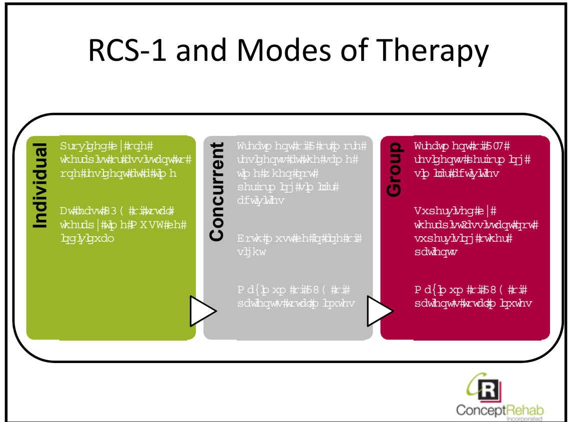
A significant reduction in the number of assessments completed under RCS-1 means a decrease in demands on the MDS staff.



Impacts of RCS-1



- PT/OT/ST categories no longer based on days and minutes but on Resident Characteristics.
- RUG-IV system, less was less, more was more, and longer was better. Not so in RCS-1 –but volume and practice patterns are not expected to change, per CMS
- Concurrent and group therapy will likely increase – with proposed allowable limits for concurrent and group modes of treatment to 25% for each
- Decrease in MDS utilization but increase in significance
- Length of stay pressure inherent with the Per Diem Variable Adjustment



RCS-1 and Modes of Therapy
Individual
Concurrent
Group
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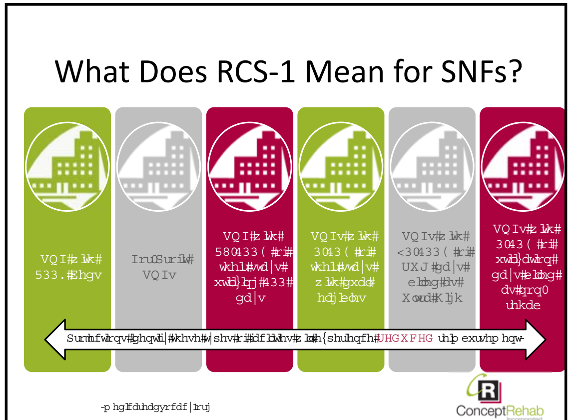
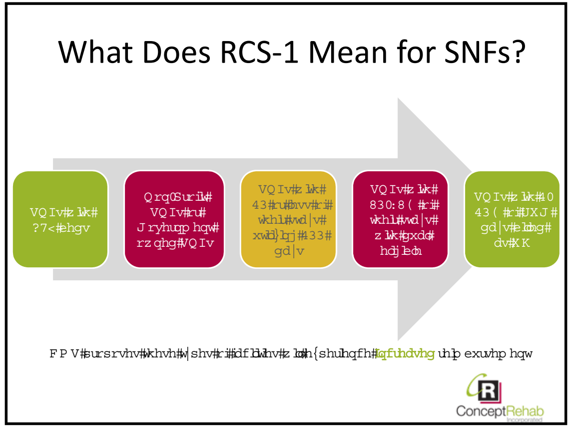


What Does RCS-1 Mean for SNFs?
ConceptRehab



What Does RCS-1 Mean for SNFs?
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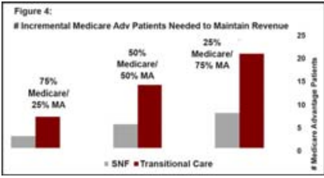
Medicare Advantage SNF Impacts

- Medicare Advantage reimbursement rate is, on average, 13% lower than traditional Medicare
- Medicare Advantage average length of stay is 19 days versus 23 days for traditional Medicare
- And for illustrative purposes only, we could assume that the short-stay facility has a skilled-mix of 80%, versus a traditional facility skilled mix of 20%

Medicare Advantage SNF Impacts



In this scenario, for every 25% shift from Medicare to MA (meaning Medicare would shift from 100% of revenue to 75%), a short-stay facility would have to pick up seven additional MA residents to maintain its revenue levels.

On the other hand, a traditional SNF would only need to pick up three more under a 25% shift to MA. This hypothetical example illustrates that if the operator was unable to increase its MA census, it would experience a 7% to 21% decline in revenue (Figure 4).

SNF Response

What

So What

Now What

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A Closer Look SNF Preparation

Care
Census
Customer Service
Cash Management
Compliance

The 5 C's of Success

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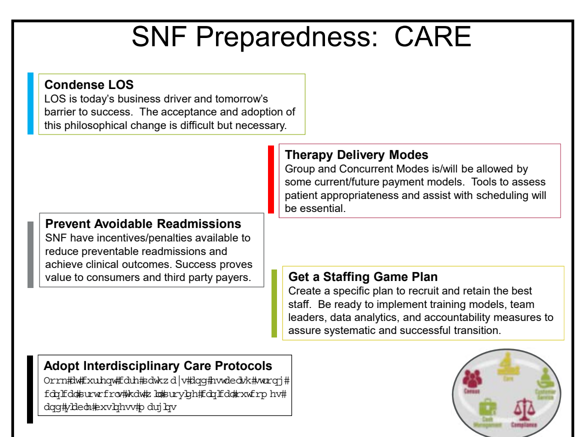
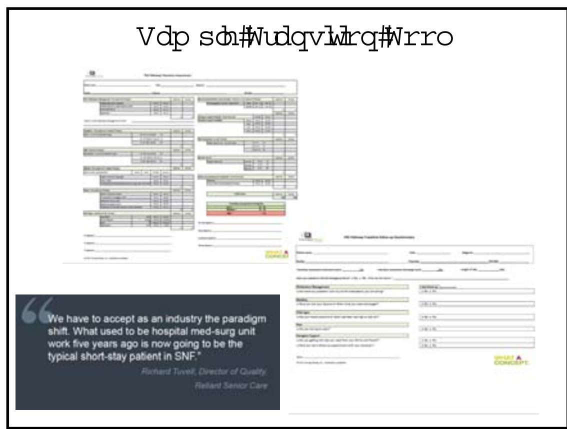
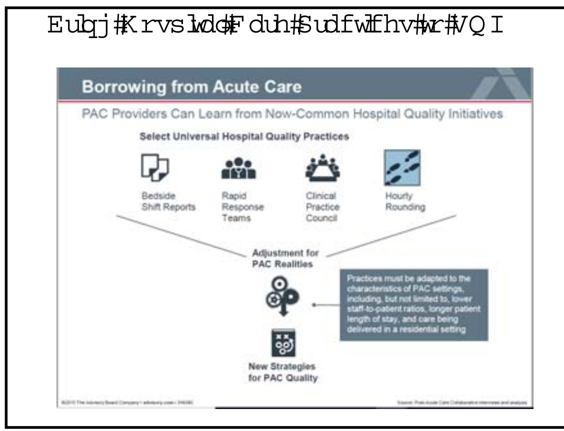
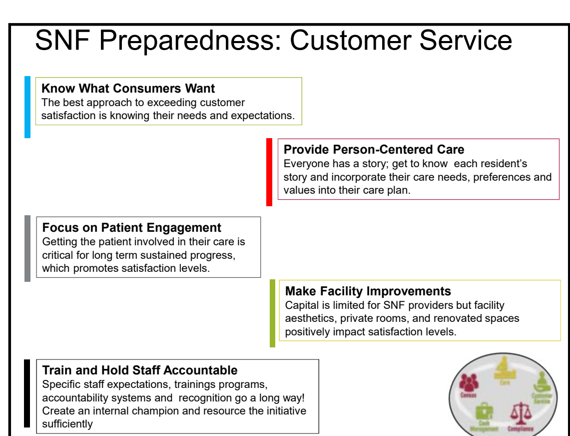






Eulqj#Krvslwdo#Fduh#Sudfwlfhv#wr#VQI
Borrowing from Acute Care
PAC Providers Can Learn from Now-Common Hospital Quality Initiatives
Select Universal Hospital Quality Practices
Bedside Shift Reports
Rapid Response Teams
Clinical Practice Council
Hourly Rounding
Adjustment for PAC Realities
Practices must be adapted to the characteristics of PAC settings, including, but not limited to, lower staff-to-patient ratios, longer patient length of stay, and care being delivered in a residential setting
New Strategies for PAC Quality



SNF Preparedness: Customer Service
Know What Consumers Want
The best approach to exceeding customer satisfaction is knowing their needs and expectations.
Provide Person-Centered Care
Everyone has a story; get to know each resident's story and incorporate their care needs, preferences and values into their care plan.
Focus on Patient Engagement
Getting the patient involved in their care is critical for long term sustained progress, which promotes satisfaction levels.
Make Facility Improvements
Capital is limited for SNF providers but facility aesthetics, private rooms, and renovated spaces positively impact satisfaction levels.
Train and Hold Staff Accountable
Specific staff expectations, trainings programs, accountability systems and recognition go a long way! Create an internal champion and resource the initiative sufficiently

Senior Living Consumer Survey
Senior Living Scenario Survey Respondents
1,367 Respondents
49% Males
51% Females
5% Ages 30–54
34% Ages 55–64
61% Ages 65+
Consumer Priorities Are Straightforward
Cost Attribute Ranking Across Net Worth Groups
Net Worth | <$50K | $50K–$100K | $100K–$250K | $250K–$500K | $500K–$1M | $1M+
Attribute Rank | 1 | 1 | 1 | 3 | 2 | 4
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Consumers Choose Senior Living for the Clinical Care

Immediate and convenient access to medical care is the driving force behind most consumers' decision to shift from home to a facility. After cost, clinical capability attributes rank highest across consumer groups.

Health Care Ranked Highly

Attribute	Score
	7.7
Community offers assisted living and skilled nursing on same campus, in case I need them later	7.2
Staff at the community will check on me, and there are emergency call buttons if I need help	7.2
	7.1
	6.9
Community has a primary care physician available on-site if I need care	6.8

Regardless of demographic background, all respondent groups ranked a clinical care attribute within the top 2.

Interpreting Results
Higher scores are better, and all scores add up to 100

Consumers Want Normalcy, Over Amenities

Senior living, unlike most long-term or post-acute care admissions, is elective, leading consumers to consider their long-term goals, and prioritize home-like environments that facilitate independence.

Quality of Life Means Community, Not Amenities

Top Ranked Quality of Life Attributes and Amenities

Most important to residents — Least important to residents

Family and friends visiting, a shuttle into town, living with their spouse, and quality dining ranked among the top third of attributes.

Hair salon and decor ranked much lower, indicating that consumers are willing to live without such amenities.

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Next Moves

1
Consumers increasingly demand transparency, so convey your competitive pricing through straightforward and accessible channels such as your website.

2
With seniors showing heightened medical complexity and greater demand for low-acuity environments, evaluate on-campus primary care programs and partnerships with home health.

3
Consumers value settings that promote their independence. Show that you are an enhanced version of home—a place where residents can enjoy community and family without the associated stressors of aging at home.

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#	Attribute	Score
1.	The yearly cost to live in this community is lower than the average costs for other communities.	7.7
2.	Community offers assisted living and skilled nursing on same campus, in case I need them later.	7.2
3.	Staff at the community will check on me, and there are emergency call buttons if I need help.	7.2
4.	Family and friends can visit at any time.	7.1
5.	The yearly cost to live in this community is average compared to other facilities.	6.9
6.	Community has a primary care physician available on site if I need care.	6.8
7.	Community offers a shuttle to go shopping and to places in town.	5.6
8.	If my spouse and I need different levels of care, we can still live together at this community.	4.6
9.	Physical and occupational therapists will come on site to provide care, if needed.	4.6
10.	Community offers an excellent dining plan.	3.9
11.	Community is close to my relatives' homes.	3.8
12.	I have friends who live at the community.	3.7
13.	My doctor recommended the community.	3.3
14.	Community has regular social events.	3.3
15.	Community is close to my current home.	3.1
16.	Community has positive online reviews.	3.0
17.	Community has regular religious services of my preferred religion.	2.4
18.	Community has on site exercise classes.	2.4
19.	Community allows pets to visit.	2.3
20.	My son or daughter thinks this is the right community for me.	2.1
21.	Community offers resources for planning for end of life needs.	1.9
22.	Community is affiliated with my religious group.	1.8
23.	Community has a mental health counselor on staff and available for support as needed.	1.7
24.	Community is independently owned and operated.	1.6
25.	Community is part of a large chain of senior living providers.	1.0
26.	Community has newly appointed decor.	0.6
27.	Community has an on site salon.	0.5

Interpreting the Data
- Importance scores for the set of attributes sum to 100.
- Importance scores represent the relative value of each attribute, so an attribute with a score of 8 is valued twice as much as one with a score of 4.

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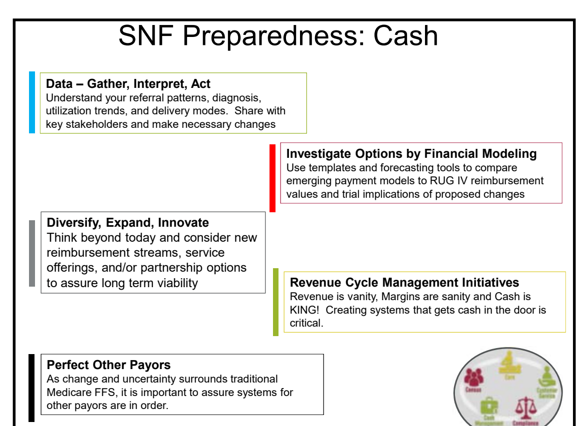
SNF Preparedness: Compliance

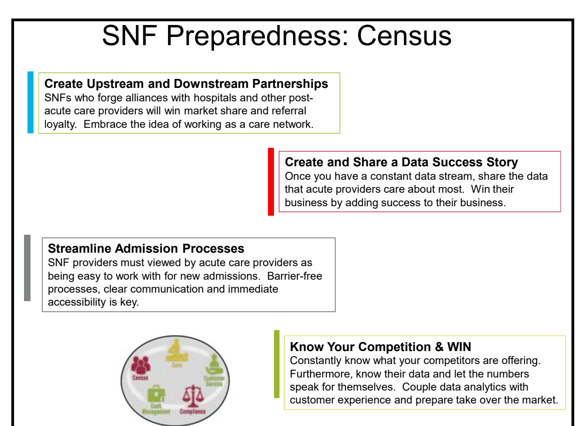
Embrace QAPI and Make Impactful Changes
QAPI is a requirement for SNF providers but it can serve as productive change agent for areas that need improvement.

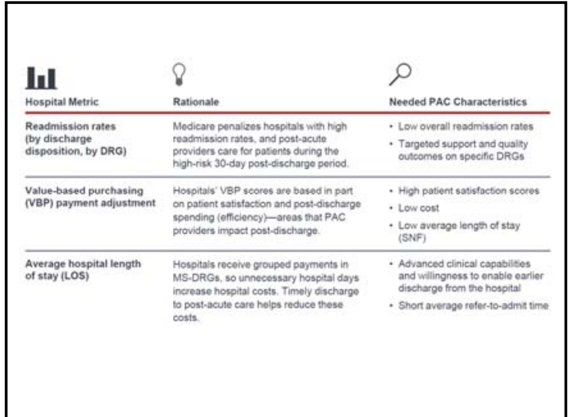
Get Serious About Documentation
Documentation is everyone's responsibility. Accurate, complete and timely clinical documentation mitigates risk, impacts survey success, and reduces denials.

Be Survey Ready – 5 Star Matters
The CMS 5 star system is not perfect. However, a SNF's star rating is directly related to consumer opinion, managed care network selections, and ACO development criteria. Win with the system!

Audit Yourself Because Someone Else Will
Post-acute care is an audit rich environment. Be diligent and dedicated to internal auditing to reduce the risk of denials and survey deficiencies.







Hospital Metric	Rationale	Needed PAC Characteristics
Readmission rates (by discharge disposition, by DRG)	Medicare penalizes hospitals with high readmission rates, and post-acute providers care for patients during the high-risk 30-day post-discharge period.	• Low overall readmission rates • Targeted support and quality outcomes on specific DRGs
Value-based purchasing (VBP) payment adjustment	Hospitals' VBP scores are based in part on patient satisfaction and post-discharge spending (efficiency)—areas that PAC providers impact post-discharge.	• High patient satisfaction scores • Low cost • Low average length of stay (SNF)
Average hospital length of stay (LOS)	Hospitals receive grouped payments in MS-DRGs, so unnecessary hospital days increase hospital costs. Timely discharge to post-acute care helps reduce these costs.	• Advanced clinical capabilities and willingness to enable earlier discharge from the hospital • Short average refer-to-admit time

Thought Leadership & Innovation
SNFCMSAlert
REHAB OPS
Waiting Game
2017 Post-Acute Care Symposium
Maximizing Referrals
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