

COMPASS

BUDGET DEAL IS MIXED BAG FOR SKILLED CARE BUDGET CUTS SNF FUNDING, REPEALS THERAPY CAPS

The two-year budget deal signed by President Trump earlier in February included a \$2 billion cut to skilled nursing facility (SNF) Medicare reimbursement over the next ten years and permanently repealed therapy caps, a long-time priority of the long-term care industry. The \$2 billion decrease comes from a freeze in the Medicare market basket rate, which the new budget has set at 2.4 percent in fiscal 2019, noted *Provider Daily*.



reductions to help compensate for a 10-year, \$1.96 billion cut to skilled nursing. Clifton J. Porter II, AHCA's senior vice president of government relations, explained that deteriorating margins, projected to be south of 1 percent next year, combined with the occupancy rates, clearly demonstrate a problem. Michigan NACHFa members met with AHCA in 2017 to discuss both regulatory and staffing issues related to the nursing home industry. LeadingAge has also identified the

regulatory burden on post-acute care providers a priority.

The low Medicaid reimbursement in many states does not cover the cost of care, and adequate Medicare rates often help as an offset. However, residents are now assured that they can receive necessary and uninterrupted physical, occupational, and speech-language therapy services to improve or maintain their function and quality of life.

The American Health Care Association/National Center for Assisted Living said it would focus on winning more regulatory

Michigan members from NACHFa will be meeting with top LeadingAge executives while in Washington D.C., for the 2018 NACo Legislative Conference in early March. This meeting, stated MCMCFC Executive Director Renee Beniak, "will assist NACHFa to align goals by partnering with other associations and their advocacy efforts to achieve the goals of regulatory overhaul and a less burdensome and cost-effective system of achieving regulatory compliance."

MICHIGAN INCHING TOWARD PRIVATIZATION OF LONG-TERM CARE

Michigan is laying the groundwork to privatize its \$2.8 billion Medicaid nursing home and long-term care services. A brief proposal included in the state's 2017-18 budget calls on the Department of Health and Human Services to "explore the implementation of a managed care long-term support service" by July 1.

The approach is similar to controversial 2016 budget language that will shift a \$2.7 billion quasi-public behavioral health system to health-plan control over the next several years, according to **Crain's**. Pilot projects for that plan are being developed to test integration of mental and physical health and measure cost savings and service increases.

Providers have bristled at the switch to insurer-managed long-term services in other states. The trend continues despite concerns, notably in Iowa where three for-profit companies running the Medicaid program **reported catastrophic losses** and asked for government help in recouping \$450 million.

At least 22 states are exploring ways to integrate long-term care services into their Medicaid programs to reduce costs, increase services and improve quality, according to a report issued by the Center for Healthcare Research and Transformation.

—McKnight's Long-term Care News

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MDHHS ADVANCES PLANS TO IMPROVE ACCESS TO INPATIENT PSYCHIATRIC SERVICES

The Michigan Department of Health and Human Services (MDHHS) is taking action to improve access to inpatient psychiatric services for Michigan residents by implementing recommendations that address staffing, expanded treatment options, health information sharing and financing and reimbursement.

In July 2017, MDHHS launched the Michigan Inpatient Psychiatric Admissions Discussion (MIPAD) initiative to investigate ongoing barriers to accessing inpatient psychiatric services in the state. A workgroup composed primarily of providers and payers analyzed the issue and produced a report of its recommendations in October 2017. MDHHS analyzed statutory, regulatory and fiscal impacts of implementing MIPAD's recommendations. Based upon this analysis, MDHHS has identified 19 of these recommendations for short-term action in 2018.

"Over the last several decades, the number of inpatient psychiatric beds has decreased, and health care providers have increasingly struggled to secure inpatient services for individuals who are in psychiatric crisis," said Lynda Zeller, MDHHS's Director of Behavioral Health and Developmental Disabilities Administration. "Taking immediate action on these recommendations will help Michigan residents get the psychiatric services they need."

In 1993, community hospitals in Michigan had 3,041 adult psychiatric beds and 729 child/adolescent psychiatric beds. In 2017, that number dropped to 2,197 adult beds and 276 child/adolescent beds. The lack of psychiatric beds has escalated the pressure on hospital emergency departments, which are called to serve



individuals on voluntary and involuntary psychiatric holds while awaiting transfers to psychiatric facilities. For example, Michigan emergency departments experienced 52,671 visits from 34,517 Medicaid beneficiaries who had a principal mental health diagnosis in 2016.

MDHHS will continue to engage stakeholders throughout the implementation process. In addition, the department will explore opportunities to partner with the House C.A.R.E.S. Task Force on improving access to inpatient psychiatric services. Grant funding from the Michigan Health Endowment Fund will be used to jumpstart the implementation process.

The **workgroup's full report** is available online.

—Michigan Department of Health and Human Services

ERROR IDENTIFIED IN SNF REPORTS

A calculation error has been identified for the three assessment-based quality measures reported on the SNF QRP Facility- and Resident-Level QM report and the SNF QRP Review and Correct reports (NQF #0678, NQF #0674, and NQF #2631). Duplicate stays and invalid admission dates can appear on these reports. View the **PDF** on the **SNF Quality Reporting Program Data Submission Deadlines** webpage for more information.

—Centers for Medicare and Medicaid Services

CONFERENCE AND MEETING UPDATES

March 26-28, 2018

MCMCFC/MAC Legislative Conference

Lansing Center, Lansing

June 4-7, 2018

Spring Management Conference

Boyne Highlands, Harbor Springs

August 19-21, 2018

MCMCFC/MAC Annual Conference

Bavarian Inn, Frankenmuth

November 27-28, 2018

Fall DON Meeting

Crystal Mountain Resort, Thompsonville

November 29-30, 2018

Fall Financial Meeting

Crystal Mountain Resort, Thompsonville

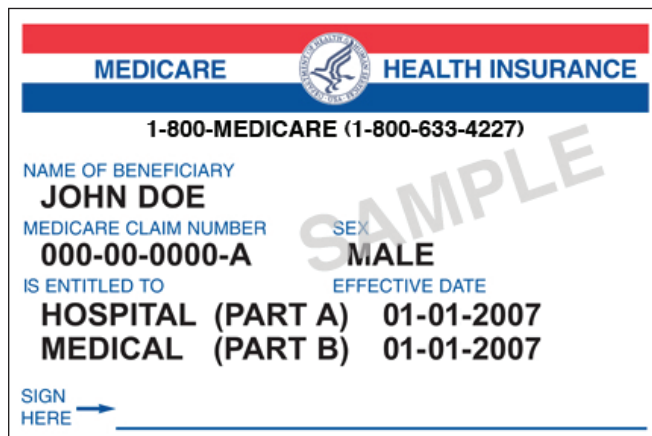
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PROVIDERS, SEE UPDATES ON MEDICARE CARD

To help you prepare for the transition to the Medicare Beneficiary Identifier (MBI) on Medicare cards beginning April 1, 2018, review the new information about remittance advices.

Beginning in October 2018, through the **transition period**, when providers submit a claim using a patient's valid and active Health Insurance Claim Number (HICN), CMS will return both the HICN and the MBI on every remittance advice. Here are examples of different remittance advices:

- **Medicare Remit Easy Print** (Medicare Part B providers and suppliers)
- **PC Print for Institutions**
- Standard Paper Remits: **FISS (Medicare Part A/Institutions), MCS (Medicare Part B/Professionals), VMS (Durable Medicare Equipment)**



A sample Medicare Health Insurance Card for John Doe. The card features the Medicare logo and the text "MEDICARE HEALTH INSURANCE" at the top. Below this is the phone number "1-800-MEDICARE (1-800-633-4227)". The card lists the beneficiary's name as "JOHN DOE", his Medicare claim number as "000-00-0000-A", and his sex as "MALE". It also indicates that he is entitled to "HOSPITAL (PART A)" and "MEDICAL (PART B)" coverage, both with an effective date of "01-01-2007". At the bottom left, there is a "SIGN HERE" label with an arrow pointing to a line for a signature. A large "SAMPLE" watermark is overlaid on the card.

Find more new information on the New Medicare Card provider webpage.

New Medicare Card: When Will My Medicare Patients Receive Their Cards?

Starting April 2018, CMS will begin mailing new Medicare cards to all people with Medicare on a flow basis, based on geographic location and other factors. Learn more about the **Mailing Strategy**. Also starting April 2018, your patients will be able to check the status of card mailings in

their area on **Medicare.gov**.

For More Information:

- **Mailing Strategy**
- Questions from Patients? **Guidelines**
- New Medicare Card **overview** and **provider** webpages

—Centers for Medicare and Medicaid Services

SKILLED NURSING FACILITY ADVANCED BENEFICIARY NOTICE OF NON-COVERAGE (SNFABN) RELEASED

CMS is releasing a newly revised SNFABN along with newly developed, concise and separate instructions for form completion. The revised SNFABN has the requirements from the denial letters and looks very similar to the ABN with 3 different options.

We will be discontinuing the 5 SNF Denial Letters and the Notice of Exclusion from Medicare Benefits - Skilled Nursing Facility (NEMB-SNF). Since the NEMB-SNF was used as a voluntary notice for care that is never covered by Medicare, we will continue to encourage SNFs to issue the revised SNFABN in this voluntary capacity. Chapter 30, Section 70 of the Medicare Claims Processing Manual revisions will be forthcoming.

The revised SNFABN will be mandatory for use on May 7, 2018. During the interim, SNFs may continue to use the old version of the SNFABN, the Denial Letters or the NEMB-SNF, however, it is recommended that the revised SNFABN be used as soon as possible. The revised SNFABN and the form instructions may be located at: <http://www.cms.gov/Medicare/Medicare-General-Information/BNI/index.html>

—Centers for Medicare and Medicaid Services

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MICHIGAN RECEIVES APPROVAL FOR CONTINUATION OF STATE INNOVATION MODEL

The Michigan Department of Health and Human Services (MDHHS) is continuing its quest to provide Michiganders with a better quality, lower cost health care system thanks to the continuation of Centers for Medicaid and Medicare Services (CMS) funding for its State Innovation Model (SIM).

In 2015, CMS awarded MDHHS nearly \$70 million over four years to test and implement a model for delivering and paying for health care in the state. The award was based on Gov. Rick Snyder's **Blueprint for Health Innovation**, in which he envisioned an efficient, effective and accountable government that collaborates on a large scale to provide quality service. CMS recently approved MDHHS's Operational Plan for year three of the project which began today.

"Reinventing Michigan's health care system is one of the state's top priorities," said Nancy Vreibel, MDHHS chief deputy director. "Michigan's model recognizes that better health requires a comprehensive approach involving safe and healthy communities, workplaces, homes and lifestyles."

The state has organized its SIM initiative into three categories: population health, care delivery and technology. Each category also focuses on improving outcomes for three priority populations: individuals at risk of high emergency department utilization, pregnant women and babies and individuals with multiple chronic conditions.

Implementing the population health component of the initiative are Community Health Innovation Regions (CHIRs). These broad partnerships of community organizations, local government agencies, business entities, health care providers, payers and community members work together to identify and implement strategies that address social determinants of health. CHIRs are being piloted in five areas of the state: Jackson, Muskegon and Genesee counties, the Northern Region and the Livingston-Washtenaw county areas.

A strong correlation between housing issues and homelessness and high emergency department utilization and poor health was observed across all CHIRs. Year 3 activities will focus on developing programs to help communities identify individuals in need of housing assistance, developing a sustained model for housing coordination funding and addressing housing shortages.

The care delivery component revolves around a Patient-Centered Medical Home (PCMH) initiative and the promotion of alternative payment models. PCMHs coordinate patient treatment through partnerships between patients and their primary care physicians to ensure they receive the necessary care when and where they need it, in a manner they can understand.

PCMH Year 3 activities will continue development, refinement and sustainability of clinical-community linkages, which will support patient linkage and coordination between clinical care and community-based social services.

On the technology front, the state is leveraging new and existing statewide infrastructure and related health information exchange initiatives including the Relationship and Attribution Management Platform (RAMP). RAMP supports several aspects of care management and coordination, including a health provider directory, a system for tracking active care relationships between patients and health care providers, the exchange of quality-related data and performance results and the transmission of admission, discharge and transfer notifications.

Year 3 will expand RAMP to allow it to be used in support of broader statewide health initiatives; establish a roadmap for increasing quality and detail of patient-level attribution data within Medicaid; and develop a use case for the collection and reporting of social determinants of health data.

For more information about Michigan's State Innovation Model, visit Michigan.gov/SIM.

—Michigan Department of Health and Human Services

STATE REMINDS FACILITIES ABOUT DEADLINE ON SOCIAL SECURITY NUMBERS

The Centers for Medicare & Medicaid Services (CMS) will remove Social Security Numbers (SSNs) from all Medicare cards by April 2019. A new unique Medicare Beneficiary Identifier (MBI) will replace the current Health Insurance Claim Number (HICN) on the new Medicare cards. CMS will begin mailing new cards to people in April 2018.

Providers systems and business processes must be ready to accept the new MBI number by April 2018 for transactions, such as billing, claim status, eligibility status, and interactions, with the CMS Medicare Administrative Contractor (MAC) contact centers.

The transition period will start April 1, 2018, and run through Dec. 31, 2019, during which time providers can use either the HICN or the MBI to exchange data and information with CMS. However, providers systems must be ready to accept the new MBI by April 1, 2018.

Providers should refer to the **CMS Fact Sheet** to ensure they are prepared to receive the MBI:

Learn more about the **CMS New Medicare Card Project**.

—Michigan Department of Health and Human Services

STATE ISSUES GUIDANCE MEMO ON NURSE AIDE RECIPROCITY

This is an update on the status of processing reciprocity with out of state candidates in light of new legislation that took effect on Feb. 19, 2018.

At this time, our contract group, Prometric, does not have the ability to process new applications for reciprocity. They are developing this process and should have it in place in the next 45 days. They have the application form ready to go and will be taking the new applications.

In the meantime, we want to give the ability to work as a nurse aide for these candidates that have applied but are awaiting the processing of their application. We ask that any employer wanting to use a nurse aide that is currently not on the Michigan Nurse Aide Registry and waiting reciprocity from an approved State, follow this guidance.

First, a provider must confirm that a nurse aide candidate has applied with Prometric to obtain a nurse aide certificate in Michigan.

This can be done by obtaining a copy of the candidate's application submitted to Prometric, which must be placed in their personnel file. The provider must also confirm with the applicable State registry, that the aide is active and in good standing and has not been flagged for abuse, neglect or misappropriation of resident property. This information must be in the candidate's personnel file along with a copy of their current nurse aide certificate in that State.

Once Prometric has the ability to process the applications and candidates are able to be placed on the registry, you do not have to follow the process any longer. Finally, please confirm that those candidates you employ did actually get placed on the Michigan Nurse Aide Registry once Prometric has the process in place.

Our office will provide an announcement once the Prometric process is in place and working for reciprocity. Thank you for your cooperation in this delay.

—Bureau of Community and Health Systems

MDHHS LETTERS AND BULLETINS

L+18-04.pdf - Field Definition Guidelines for the Medicaid Nursing Facility Level of Care Determination (LOCD) tool. This letter was sent to Nursing Facilities, MI Choice Waiver, PACE and MI Health Link Providers and dated Feb. 21, 2018.

**

The Michigan Department of Health and Human Services (MDHHS) continues to be made aware of cases where some residents whose Medicaid eligibility is pending are paying facilities for their care and not informing the local case worker of this payment. Once the resident becomes Medicaid-eligible, the facility refunds the resident and bills Medicaid for the months paid by the resident. This practice violates Medicaid policy. Nursing facilities must

follow the guidance provided in Medicaid Letters L 15-06 and L 16-66. Medicaid letters can be accessed on the MDHHS website at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms >> Numbered Letters.

Failure to report these monies on the Medicaid claim and to the local office may constitute Medicaid fraud.

**

Medicaid Letters can be accessed on the web at www.michigan.gov/medicaidproviders >> Communications and Training >> Click 2017 under Numbered Letters.

CON WEBINAR SCHEDULE RELEASED

The 2018 CON Training Schedule (Webinars) has been published on the department's website and can be accessed using the link below:

http://www.michigan.gov/documents/mdch/2011_Program_Training_Schedule_344712_7.pdf

The trainings are designed to better educate interested parties about the CON process, improve communication, enhance the understanding of the CON program, and offer insight into the online application and annual survey systems.

- Registration for CON e-Serve Webinar: To register for training,

please send your name, company name, phone number, training topic, and date to Janet DeClarke at declarkej@michigan.gov. Questions, please call 517-241-3344.

- Registration for Annual Survey Webinar: To register for training, please send your name, company name, phone number, training topic, and date to Jack Ho at HoJ1@michigan.gov. Questions, please call 517-284-4264.

If you have any questions, please contact the CON Evaluation Section at 517-241-3344.

—Michigan Department of Health and Human Services

THE THERAPY CONNECTION: WHAT'S IN YOUR CONTRACT?

BY LYLE TOWNSEND, PT, AND TARA TOWNSEND, OTR/L, NHA, IMPACT WELLNESS & REHAB

We met with Aric Martin, Managing Partner of Rolf Goffman Marin Lang LLP, who has extensive experience with OIG and Corporate Integrity Agreements. He assesses therapy contracts with an eye towards regulatory compliance.



Following are critical elements in your therapy vendor business contract:

Vendor Choice

- Not all therapy companies are equal!
- High number of therapy companies are available in Michigan
- Many facilities are attracted to vendors with the lowest price or who they like personally
- Select a partner that can weather the storms!
 - Who can you partner thru RCS-1 or other payment changes?
 - How long have they been in business?
 - What is their compliance infrastructure?
 - Bootstrap with your training and auditing processes
 - What is their market capitalization?
 - Are they able to reimburse facility for denied claims?
 - Demonstrate due diligence with vendor selection, not just based on pricing, but also their compliance program and processes

The Contract

- Don't just accept the therapy vendor's contract!
 - Have your own contract with standards and conditions
 - Protect yourself and identify risks!
 - Contract Management
 - Review contract annually: the agreement and rates
 - Fiduciary responsibility to county/board
 - RFP Process: Check the market every 2 years for fair market value and service updates

The Content

- ADR Notification
 - Time from receipt is negotiable
 - Highly litigated contract clause
 - Many vendors have a short timeframe i.e. 5 days after facility receipt of ADR or they are off the hook for payment remuneration
 - Negotiate for similar time frames per audit timelines
- Qualifications of Therapists and Assistants
 - Who is responsible for verification and indemnification if not completed?
 - Licenses and OIG Medicare Exclusion
- End of Contract Relationship and Transition to New Vendor
 - Discuss and negotiate former or new vendor's assistance and financial recoupment for past claims

- Review therapy staff solicitation restrictions/transfer to new vendor
- Current Potential Exposure Beyond ADRs
 - Higher enforcement environment
 - Consider Extrapolation used from MACs/UPICs and False Claims Act
 - Is exposure limited to only disallowed claims?
 - Increasing use of extrapolation
 - Need to negotiate with therapy vendor shared financial responsibility
 - Internal compliance audit findings
 - How does contract handle proactive compliance findings, not in response to government audit?
 - What is therapy provider responsibility when repayments are mandated under the "60 Day Overpayment Rule"?
 - Consider non-ADR government investigations
 - Qui tam false claims
 - UPIC audits
 - What is the therapy provider's prospective responsibilities for defense, paybacks, cooperation?

Thank you to Aric Martin for his expertise with therapy contract language, regulatory compliance, governmental investigation and litigation. For further information please contact him at Martin@RolfLaw.com.

For questions regarding RFPs please contact Lyle at lyle@impactwellness-rehab.com.

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— Henry Ford

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NURSING HOME COMPARE UPDATED 2/28/18

FACILITY	OVERALL RATING	HEALTH INSPECTIONS	STAFFING	QM RATING
Allegan County MCF	★★★★★	★★★★	★★★★★	★★★★★
Lenawee County MCF	★★★★★	★★★★	★★★★	★★★★★
Tuscola County MCF	★★★★★	★★★★	★★★★★	★★★★★
Maple Lawn MCF	★★★★★	★★★★★	★★★★	★★★★★
Gogebic County MCF	★★★★★	★★★★	★★★★	★★★★★
Newaygo County MCF	★★★★★	★★★★	★★★★	★★★★★
Cass County MCF	★★★★★	★★★★★	★★★★	★★
Maples MCF	★★★★★	★★★★	★★★★★	★★★★★
Meadow Brook MCF	★★★★★	★★★★	★★★★★	★★★★★
Marquette County MCF	★★★★★	★★★★	★★★★★	★★★★★
Bay County MCF	★★★★★	★★★	★★★★	★★★★★
Pinecrest MCF	★★★★★	★★★★★	★★★★★	★★★
Grand Traverse Pavilions	★★★★★	★★★★	★★★★★	★★★★
Thornapple Manor MCF	★★★★★	★★★	★★★★★	★★★★★
Sanilac County MCF	★★★★★	★★★★	★★★★	★★★★★
Schoolcraft County MCF	★★★★★	★★★★	★★★★★	★★★
Hillsdale County MCF	★★★★★	★★★	★★★★	★★★★★
Eaton County MCF	★★★★	★★	★★★★★	★★★★★
Isabella County MCF	★★★★	★★★	★★★★★	★★★★
Ingham County MCF	★★★★	★★	★★★★★	★★★★★
Manistee County MCF	★★★★	★★★	★★★★★	★★★★
Oceana County MCF	★★★★	★★	★★★★★	★★★★★
Oakview MCF	★★★★	★★★	★★★★★	★★★★
Jackson County MCF	★★★★	★★	★★★★	★★★★★
Lapeer County MCF	★★★★	★★★★	★★★★	★★★★
Huron County MCF	★★★★	★★★	★★★★	★★★★
Houghton County MCF	★★★★	★★★	★★★★★	★★★★
Shiawassee County MCF	★★★★	★★★	★★★★★	★★★★
Calhoun County MCF	★★★★	★★	★★★★	★★★★★
Grandvue MCF	★★★	★★	★★★★★	★★★★
Iosco County MCF	★★★	★★★	★★★★	★
Bay Bluffs MCF	★★	★	★★★★★	★★★★★
Iron County MCF	★★	★	★★★★★	★★
Martha T. Berry MCF	★★	★	★★★★	★★★★

NURSING HOME COMPARE QUESTIONS?

Nursing Home Compare Hotline: 800-839-9290 • Email: bettercare@cms.hhs.gov

The hotline is open the week of every Nursing Home Compare Refresh, Monday-Friday, 9 a.m.-5 p.m.