

Chiles Healthcare Consulting, LLC
Mary Chiles, RN
1908 Maple Shade Lane, Richmond, Virginia 23227
Telephone 804-355-1943, FAX 804-355-1859, Pager 804-997-1060
E-mail: maryltc@mindspring.com

FYI -- Updates

Date: June 2004



MDS Manual Revision

CMS has intention of revising the MDS manual again; the revision is scheduled to be published on June 28th and will be posted at: <http://www.cms.hhs.gov/medicaid/mds20>. Click on "Manuals and Forms" once you get to that webpage. The proposed change involves coding for hospice services in Section P/1.

Survey Focus

Pharmacy related issues have been a focus in several surveys during the past few months. Areas that should be addressed through your internal quality improvement program include:

- Review that all medications have an active and current diagnosis supporting use
- That psychoactive medications are for dosages within the recommended guidelines or that there is recent physician documentation explaining the need and therapeutic value of the current dosage.
- Review that hypnotics are not being used for 10 consecutive nights without physician documentation explaining why it would be contraindicated not to administer the medication
- Documentation that continued use anti-anxiety medications are reviewed every 4 months and that continued use of antipsychotics is reviewed at least every 6 months for reduction, drug holiday or elimination.
- Review that there is identification and documentation of monitoring targeted behaviors for use of psychoactive medications.

CMS Transmittal 183 – SNFs Must Have Written Agreements with Outside Suppliers of Services Covered Under Consolidated Billing for Part A -- effective 4/1/04; implemented 7/1/04

Whenever a supplier furnishes services that are subject to consolidated billing in the absence of a written agreement with the SNF, the supplier risks not being paid for the services. In addition, the supplier in this situation might improperly attempt to bill Part B directly for the services. The inappropriate submission of a Part B bill for such services could result not only in Medicare's noncoverage of the services themselves, but also in the imposition of civil money penalties, as explained below. Along with all of the other potentially adverse consequences of such practices, the SNF is also at risk of being found in violation of the terms of the Medicare provider agreement (which, as explained below, requires an SNF to have a valid arrangement in place whenever a resident receives services that are subject to consolidated billing from any entity other than the SNF itself).

Medicare does not prescribe the actual terms of the SNF's written agreement with its supplier (such as the specific amount or timing of the supplier's payment by the SNF), which are to be arrived at through direct negotiation between the parties to the agreement. However, in order for a valid "arrangement" to exist, the SNF *must have* a written agreement in place with its supplier, which specifies how the supplier is to be paid for its services. The existence of such an agreement also provides both parties with a means of resolution in the event that a dispute arises over a particular service. A full copy of Transmittal 183 may be found at http://www.cms.hhs.gov/Manuals/pm_trans/R183CP.pdf

VHCA – June 23rd Conference on DAVE – The DAVE project has made 2 on-site visits to Virginia nursing homes and collected data from many more. The VHCA conference on June 23rd will provide you with up to-date information and you will hear Judy Wilhide speak on the Virginia experiences. See you there !!!



Facilitating Quality Health Systems Thru Care and Compliance