Ready or Not, Here Comes RCS-1

Abstract:

The long-term post-acute care (LTPAC) industry is bracing itself for yet another major change in 2018: Resident Classification System-1 (RCS-1). This new Medicare payment model is only months away, with an estimated start date of October 1, 2018. RCS-1 has the potential to turn things upside down for providers that are not sufficiently prepared. Nearly all of us in the industry have become accustomed to the index maximizing system which incentivized higher therapy utilization. RCS-1 will be a complete overhaul of reimbursement as we know it, comprising literally tens of thousands of unique daily rates based on countless different combinations.

Objectives:

1. Participants will be able to identify when RCS-1 is scheduled to be implemented.
    a. The long term care industry is bracing itself for yet another major change…Resident Classification System-1 (RCS-1). This new Medicare payment model is only months away, with an estimated start date of October 1, 2018. RCS-1 has the potential to turn things upside down for providers who are not sufficiently prepared.
2. Participants will be able to identify the six elements that a combined to form the residents' unique daily rates.
    a. RCS-1 Index Combining System:

       This approach financially incentivizes lower therapy utilization. Every Medicare resident will receive a calculated case-mix score in each of four indexed components (PT/OT, SLP, NTA, and Nursing). The four indices are then combined with a non-case-mix component to determine reimbursement. The therapy components will be determined by resident characteristics, not days and minutes as is currently the case.

    b. RCS-1 Rates:
       Days one through fourteen will be paid at one hundred percent of the calculated rate. Starting with day fourteen, and every third day thereafter, the rate will be decreased by one percent. The study preformed in 2015 indicated that residents required incrementally less intensive services and it was determined that the reimbursement should reflect the decreased needs.

    c. Group and Concurrent Minutes:
       Under the RUG system group and concurrent minutes were possible, however, they provided some financial obstacles. Under RCS-1 this will be effectively reversed, and group and concurrent minutes will be incentivized. Individual minutes will be required

to be at least fifty percent of the total minutes. Group and concurrent minutes will be capped at twenty five percent respectively. With management oversight these changes will still allow for a lucrative profit margin.

d. RCS-1 Assessment Schedule:
   Upon admission to the facility, the MDS Nurse will complete an Entry Tracker. The next Assessment will be the 5-Day Assessment, which will be completed with Assessment Reference Date (ARD) on days one to eight of the stay. The 5-day assessment will be the only assessment needed until which time the resident is discharged. The only exception to this would be if the resident had a significant change during their stay. If this occurs, a Significant Change in Status Assessment (SCSA) will be required within fourteen days of identification. Once the assessment is completed, the new calculated case-mix score will take effect on the ARD of the SCSA.
   It should also be noted that if a resident is discharged to the hospital and returns to the facility within three days no new 5-day assessment is required. Should the resident be out of the facility for greater than three days, a new 5-Day Assessment will be required upon their return.

e. Diagnosis Codes:
   Diagnosis coding is going to be more important than ever. There will be specific weights given to diagnosis codes and these will be included in the computation of the calculated case-mix score.

f. Activities of Daily Living (ADLs)
   ADL's will continue to be included in the overall calculation with one change. Bed mobility will no longer be included in the calculation. It will remain vital that ADL scores are captured, and accurately documented during the assessment look back period. ADL documentation should continue throughout the stay as a means to detect any significant changes as well.

3. Participants will be able to define the RCS-1 assessment schedule.
   a. Upon admission to the facility, the MDS Nurse will complete an Entry Tracker. The next Assessment will be the 5-Day Assessment, which will be completed with Assessment Reference Date (ARD) on days one to eight of the stay. The 5-day assessment will be the only assessment needed until which time the resident is discharged. The only exception to this would be if the resident had a significant change during their stay. If this occurs, a Significant Change in Status Assessment (SCSA) will be required within fourteen days of identification. Once the assessment is completed, the new calculated case-mix score will take effect on the ARD of the SCSA.
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Bio:

Jennifer Leatherbarrow RN, BSN, RAC-CT, QCP, CIC is the Senior Clinical Consultant at Richter Healthcare Consultants. She is an experienced trainer, speaker and writer. Jennifer is a regular contributor to the Richter ShareSource Resource Center, which offers useful blogs, articles and downloads for LTPAC professionals. She is also a regular contributor to the PointClickCare Blog. Jennifer has an extensive healthcare background, including over twenty years in the LTPAC sector. Her past positions include DON, Staff Development Coordinator, MDS Coordinator and Corporate Reimbursement Nurse. At Richter Healthcare Consultants, Jennifer works directly with LTPAC clients across the country to offer best practice solutions to operational challenges.