

## Regulatory

### MDS PPS Assessments Compliance (Part I) Late Assessments

Harmony Healthcare International (HHI) performs monthly auditing, monitoring and educational services to the healthcare industry. During our on-site monthly audits, we hone in on MDS Assessments. Compliance of MDS **content accuracy** and **timeliness** are critical focus areas as they impact **care planning** and **reimbursement**.

The MDS contains over 1,000 data elements. Precision requires constant focus and implementation of systems with inherent checks and balances.

The most frequently asked questions on **HarmonyHelp** relate to the parameters for timely MDS Completion.

#### MDS Timeliness

For a Skilled Nursing Facility to receive Medicare Part A payment you must complete scheduled and unscheduled MDS Assessments.

The ARD (Assessment Reference Date) must be **within the defined ARD window**. **If the ARD is outside the window, the claim** will be paid at the **default rate** (AAA and equal to PAI) for the **number of days** the **ARD is out of compliance**.

In addition, the pattern of assessment completion times may trigger an audit. For example, if the facility demonstrates a practice of **early or late assessment scheduling** then a **review** may ensue.

#### Late Assessment (Still a SNF Part A Resident)

If the facility fails to **set the ARD** within the **defined ARD window** for a Medicare-required assessment, including the grace days, and the **resident is still on Part A**, the SNF must complete a late assessment.

The ARD can be **no earlier** than the **day the error was identified**.

- 1.) If the ARD on the late assessment is **set for prior to the end of the period during which the late assessment would have controlled the payment**, had the ARD

---

#### Harmony Healthcare International (HHI)

430 Boston Street, Suite 104, Topsfield, MA 01983 ♦ Tel: 978-887-8919 ♦ Fax: 978-887-8917  
www.harmony-healthcare.com

been set timely, and/or no intervening assessments occurred, **the SNF will bill the default rate** for the number of days that the **assessment is out of compliance**.

This is equal to the number of days between the day following the last day of the available ARD window (including grace days when appropriate) and the late ARD (including the late ARD). The SNF bills the Health Insurance Prospective Payment System (HIPPS) code established by the late assessment for the remaining period of time that the assessment would have controlled payment.

### Example

PPS 30-day assessment with an ARD of Day 41 is out of compliance for 8 days and therefore would be **paid at the default rate for 8 days** and the HIPPS code from the late 30-day assessment until the next scheduled or unscheduled assessment that controls payment. If there are no other assessments until the 60-day assessment, the remaining 22 days are billed according to the HIPPS code on the late assessment.

### Example

COT OMRA completed with an ARD of Day 39, while Day 7 of the COT observation period was Day 37. In this case, the COT OMRA would be considered **2 days late** and the facility would bill the **default rate for 2 days** and then bill the **HIPPS Code** from the late COT OMRA until the next scheduled or unscheduled assessment controls payment, in this case, for at least 5 days.

- 2.) If the ARD of the late assessment is **set after the end of the period during which the late assessment would have controlled payment**, had the assessment been completed timely, or in cases where **an intervening assessment** occurred and the **resident is still on Part A**, the provider must still complete the assessment.

The ARD can be no earlier than the day the error was identified. The SNF must bill all covered days during which the late assessment would have controlled payment had the ARD been set timely at the default rate regardless of the HIPPS code calculated from the late assessment.

### Example

PPS 14-day assessment with an ARD of Day 32 is paid at the default rate for Days 15 through 30. A late assessment cannot be used to replace a different Medicare-required assessment. The late 14-day assessment would not be considered an assessment used

for payment and would not impact the COT calendar because only an assessment used for payment can affect the COT calendar.

Source: MDS RAI User's Manual