Observations on Therapy Utilization Trends

<u>Introduction:</u>

In the FY 2014 Skilled Nursing Facility (SNF) Prospective Payment System (PPS) final rule (78 FR 47959 through 47960), we discussed our monitoring efforts associated with the impact of certain policy changes finalized in the Fiscal Year (FY) 2012 SNF PPS final rule (76 FR 48486). We noted that we would continue these monitoring efforts and report any new information as appropriate. We would take this opportunity to discuss two notable trends CMS has observed related to resident classification and therapy utilization by SNF providers for Medicare Part A residents.

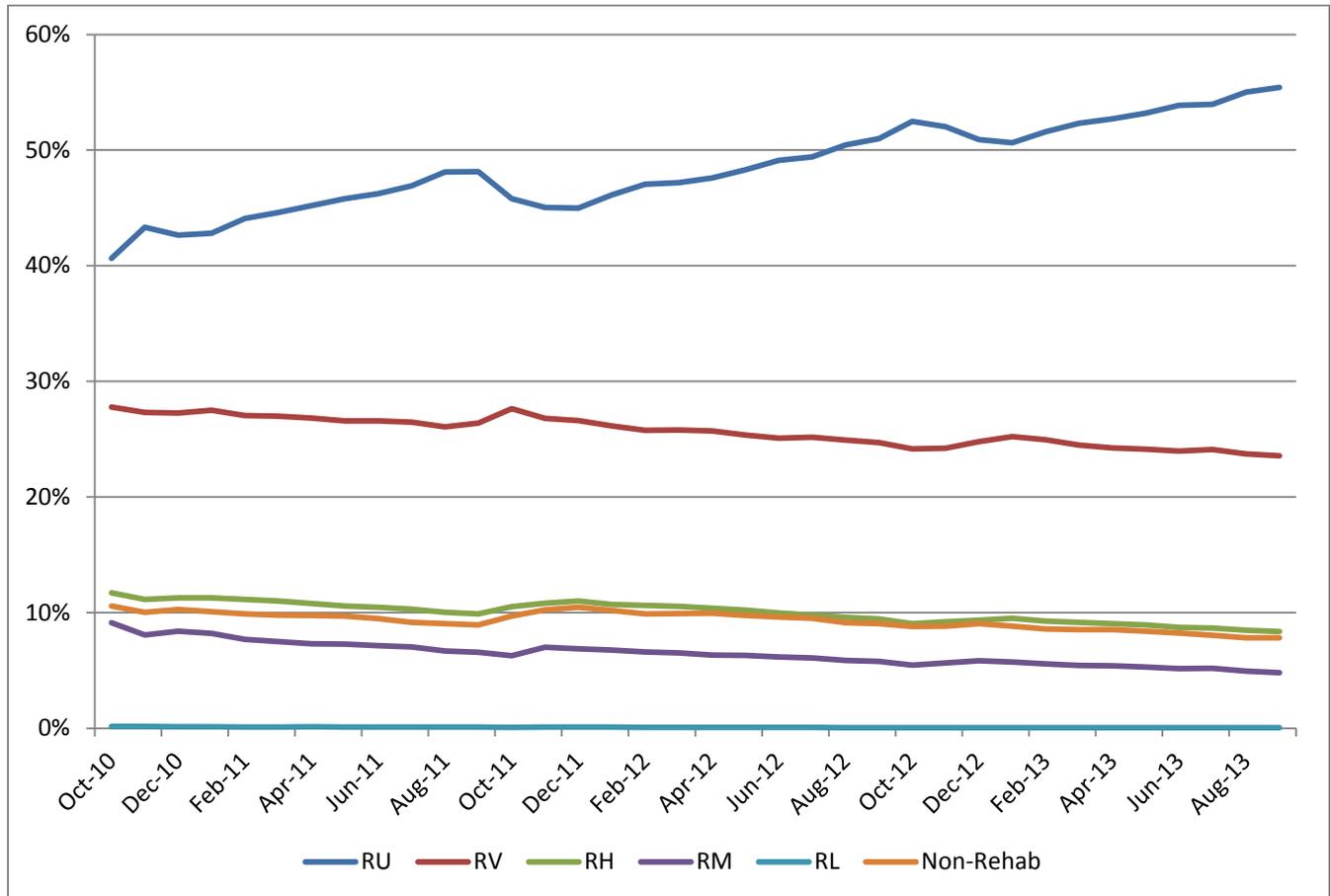The data used in the charts below represent data from FY 2005, as well as data from FY 2011 – FY 2013.

<u>Trend 1: Resident Classification</u>

In the FY 2014 SNF PPS proposed rule (78 FR 26464), we presented data which compared various utilization metrics including the case-mix distribution for the Resource Utilization Group – Version IV (RUG-IV) therapy categories (Ultra-High Rehabilitation or RU, Very-High Rehabilitation or RV, High Rehabilitation or RH, Medium Rehabilitation or RM, and Low Rehabilitation or RL), for FY 2011 and FY 2012. It was observed, based on those data, that the percentage of billed days of service being classified into the RU RUGs had increased from 44.8 percent in FY 2011 to 48.6 percent in FY 2012, while utilization in all other therapy RUG categories either remained stable or declined.

We have since updated this data set using data from FY 2013 and found that, as illustrated in Figure 1 below, the percentage of billed service days in the RU RUG groups has increased to over 50 percent.   We have opted to present this data in a longitudinal format in order to demonstrate how, over the course of the past 3 years since October of 2010, the

percentage of residents classified into one of these Ultra-High Rehabilitation groups has not only

increased, but done so rather steadily.

Figure 1: SNF Case-Mix Distributions by Major RUG-IV Category

Trend 2: Therapy Utilization

The second trend that we identified is that, most notably in the cases of the RU and RV

groups, which taken together comprise more than 75 percent of the total billed days in FY 2013,

the amount of therapy reported on the MDS is just enough to surpass the relevant therapy minute

threshold for a given therapy RUG category. Consider the data illustrated in Figure 2 below, in

which the percentage of total assessments is represented on the Y-axis and the total number of

allocated therapy minutes is represented on the X-axis. In order to calculate the total number of

allocated therapy minutes on an assessment, we begin by summing the total number of individual

therapy minutes coded on an MDS 3.0, matched to an associated SNF claim, for Speech Language Pathology in item O0400A1, Occupational Therapy in item O0400B1, and Physical Therapy in item O0400C1. We then add this to the number of concurrent therapy minutes coded into items O0400A2, O0400B2, and O0400C2 divided by 2. Finally, we add in the number of group therapy minutes coded in items O0400A3, O0400B3, and O0400C3 divided by 4. This final total represents the total number of allocated therapy minutes on a given assessment. The results of this analysis are represented in Figure 2 below, stratified based on 20-minute intervals.

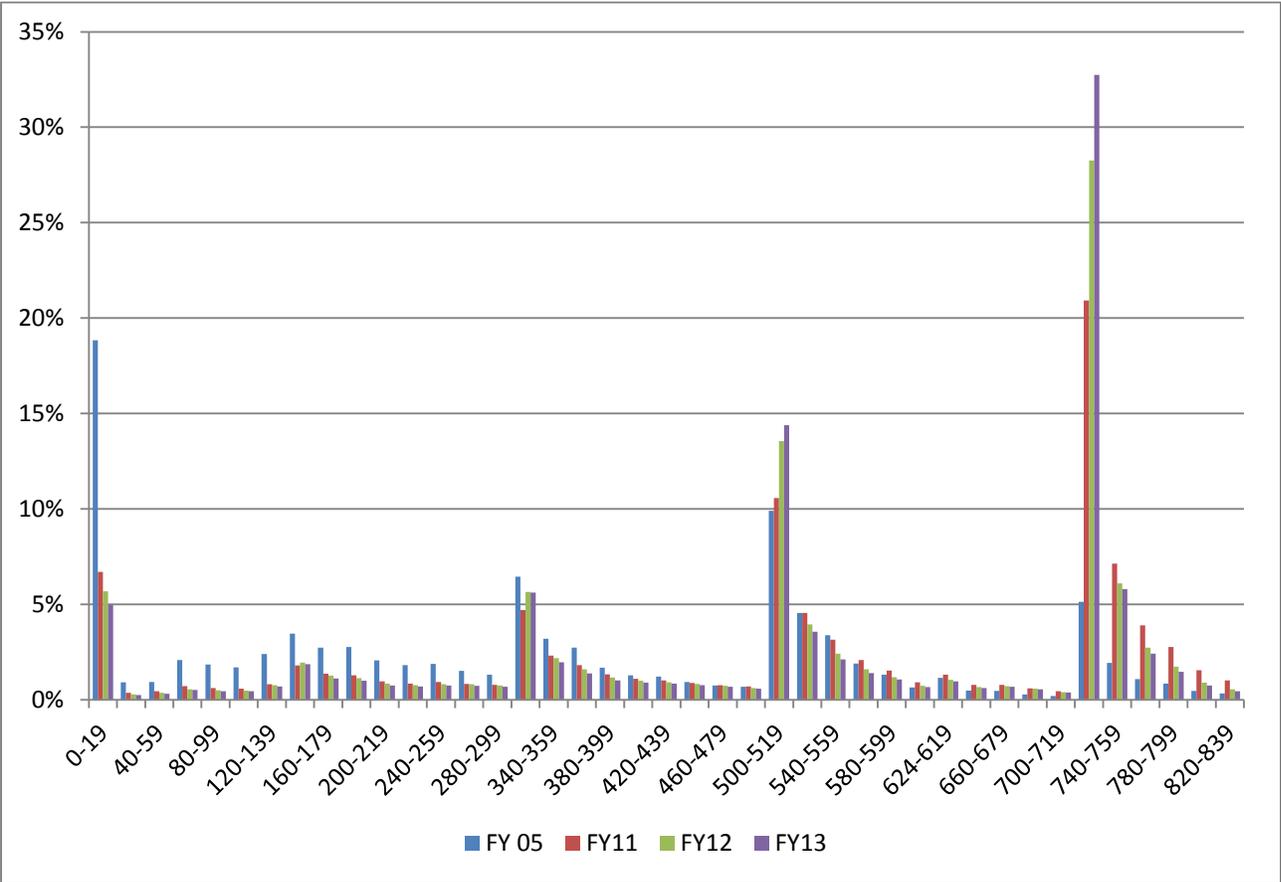Figure 2: Allocated Therapy Minutes per Beneficiary, All Intervals

Figure 3 below provides a closer look at the intervals relevant to an examination of this trend within the RU and RV groups. The percentage of claims-matched MDS assessments in the range of 720 minutes to 739 minutes, which is just enough to surpass the 720 minute threshold

for RU groups, has increased from 5 percent in FY 2005 to 33 percent in FY 2013. As stated above, this trend also holds for residents classified into RV groups, where the largest percentage of service days were provided in the 500 to 520 minutes range, which just surpasses the 500 minute threshold for the RV RUG.

Figure 3: Allocated Therapy Minutes per Beneficiary, RU and RV RUG Intervals