

## **Therapy Discussion Points in Anticipation of the October 2010 RUGS IV & MDS 3.0**

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Please note therapy services contracts vary by provider. The following is a general list of discussion points of which some or all items may apply to your current therapy vendor.

### 1. Therapy Services Contract Review

- Term and Termination Clause: Typically, therapy contracts have at least two options for Termination.
  - Option 1: Thirty (30) day, Sixty (60) day, or Ninety (90) day out (with or without cause).
  - Option 2: Change in Regulatory Environment. Typical language may state if there is a substantial change in reimbursement or regulatory environment, both parties may negotiate in good faith to re-negotiate the contract. If re-negotiation is not possible, the term clause would apply.
- Per diem pricing model:
  - Is your current therapy pricing structure a per diem model vs. a per minute or TIF (time in facility) model? (Per diem pricing is such that the therapy company and the facility are both receiving payment based on the Rehab RUG level achieved. A per diem model assures that the facility is not paying for more minutes than are reimbursed by Medicare Part A.)

### 2. Questions to ask your current therapy vendor in regard to staffing levels and patient care:

- Do you currently provide concurrent (dovetailing) therapy and if so, what percentage is concurrent?
- Is the therapy department staffing based on the provision of concurrent therapy or is there enough therapy staff to provide one-on-one patient care?
- Do you (therapy company) anticipate raising prices to offset the elimination of the concurrent therapy billing practice or due to the elimination of the Rehab RUG projection policy on the 5 day MDS? If so, what price increase is planned and when will it take effect?

- If current staffing levels are based on the provision of concurrent therapy, do you anticipate increasing the number of therapists or hours of therapy time available to account for the change in concurrent therapy billing practice?
- If you are adding therapists, how many will you add and how do you anticipate being able to find and hire those therapists?
- What is the efficiency expectation of the therapy department and what is the actual efficiency level?
- Are the therapy department managers and/or the staff therapists currently paid bonuses based on efficiency levels?

3. Questions to ask your current vendor in regard to overall MDS 3.0 changes including the start of therapy OMRA and short stay patients:

- Are you familiar with the new MDS 3.0 and RUGS IV changes that impact therapy?
- Do you plan any changes to the provision of therapy services in response to these changes? If so, what are they?