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Continuing Change Challenges Competitive Advantage... CMS, Wound Care and Readiness for MDS 3.0

Wound care, a \$20+ billion industry, continues to grow. In this newsletter, we focus on new regulations in this industry as a harbinger of continuing change and scrutiny of quality of care in all sectors of health care delivery. It is important that providers of wound care products and services to nursing homes are aware of critical regulatory developments that are on the immediate horizon. These changes challenge revenue potential and staffing expenses. Other sectors should keep a watchful eye on these developments for contingency planning.

Effective October 1st, 2010, CMS will implement the MDS version 3.0. The MDS (Minimum Data Set) is a powerful tool used for implementing standardized assessment and for facilitating care management in nursing homes. Its content has implications for residents, families, providers, researchers, and policymakers. Following concerns about the reliability, validity, and relevance of MDS 2.0, CMS's implementation of version 3.0 improves communication across all care takers within a nursing home, including the resident (patient) and the resident's family.

These changes have profound implications for nursing homes and

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public policy. Enhanced accuracy supports the primary legislative intent that MDS be a tool to improve clinical assessment and supports the credibility of programs that rely on MDS.

As nursing homes struggle with staff training and readiness for MDS 3.0, this newsletter focuses on some of the changes in wound care, the impact on staffing and the implications for non-compliance.

Important Changes

Critical changes focus on pressure ulcers, their staging (a description and measurement of the complexity of the pressure ulcer), where and when the wound developed, how the wound is progressing and ongoing pressure ulcer risk. A nursing home could receive serious state survey deficiencies for inadequate wound care as well as lose the opportunity for increased reimbursement through CMS's quality initiatives that reward nursing homes for superior quality of care with higher reimbursement.

The complex coding under MDS 3.0 will put added strain on staffing in nursing homes, particularly nursing and therapy. Both these clinical disciplines will now need to interview and evaluate the patient within hours of admission, many admissions occurring after hours. It will no longer be acceptable to evaluate the new admission "the next day".

To their credit, CMS has made some wise and prudent revisions to the MDS 3.0. An example is there is no longer reverse staging of a pressure ulcer. This allows the clinical team to feel confident about their treatment plan and removes the all too often issue of improperly staging a wound as it heals. In addition, MDS 3.0 provides greater clarity for unstageable wounds as well as wounds resulting from diabetes, venous stasis and arterial insufficiency. The MDS 3.0 also allows for staging of the most severe wound as the basis for treatment and measuring progress. Finally, CMS has also done a commendable job in preparing training materials for nursing facilities to use in training their staff.

Who might benefit?

As with any new regulatory requirement, opportunity abounds. Those nursing homes and nursing home chains that are able to master the new MDS 3.0 for wound care and all other clinical disciplines will have a significant competitive advantage. This advantage includes quality of care recognition through the various national quality initiatives, improving publicly available scores and potentially filling nursing homes beds, increasing their bottom line.

Other beneficiaries might be in the vendor community... companies offering physician and wound care management services, companies selling wound care products and the wound care device companies. All need to be aware of these changes,

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Allexian delivers operational improvement and strategy focused on bottom line and value creation.

As former CEOs we assist health care companies with planning and execution.

We are experienced in performance improvement, strategy, M&A due diligence, interim management and technology planning and organizational change.

incorporate them into their sales and marketing strategy and be knowledgeable about the enhanced reimbursement opportunities. In addition, these companies could see an uptick in utilization as a result of this new and intense focus on pressure ulcers.

While this topic is relevant to a specific sector of the health care community, there are several common themes for other sectors to watch: quality of care tied to increased reimbursement incentives, more implications of non-compliance, and increased staffing burden.

Please feel free to forward this email to interested colleagues. If you have trouble reading this, [click here](#) to download from our website.

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