

## WHAT DOES THE “MEGA RULE” MEAN FOR NURSING FACILITIES?

*By: Brandon M. Dalziel, Member, Health Care Practice Group*

**L**ate last year, the Centers for Medicare & Medicaid Services (CMS) put into effect new regulations, commonly referred to as the Mega Rule. They are the most comprehensive revision of CMS’s requirements for nursing homes since 1991.

Per CMS, the updated policies attempt to reduce unnecessary hospital readmissions and infections, improve the quality of care, and strengthen safety measures for long-term care facility residents.

The final rule goes into effect in three

stages. Phase 1 was effective November 28, 2016, Phase 2 is effective November 28, 2017, and Phase 3 is effective November 28, 2019.

Some considered phase 1 to be relatively minor regulatory changes, which included elimination of the use of pre-dispute arbitration, new discharge plan requirements, an expanded drug regimen review process, and expanded resident rights.

Phase 2 includes changes for which it may take more time to develop related processes. For example, the following will be required:

- a baseline care plan that is due within



48 hours of admission;

- an annual facility assessment including Initial Quality Assurance/Process Improvement (QAPI) plans;
- development and implementation of written policies and procedures that ensure reporting of crimes;
- antibiotic use protocols and systems for monitoring antibiotic use and

recording of incidents;

- new pharmacy requirements; and
- smoking policies

CMS estimates that compliance with the new rule will cost an average of \$62,900 in the first year per certified nursing home, and then \$55,000 per facility per year.



**About the Author.** *Brandon M. Dalziel represents health care industry clients in a variety of transactional issues, including joint ventures, compliance matters, contractual matters, and hospital by-law issues. Before becoming an attorney, Brandon managed clinical studies and integrated genetics into drug development with Pfizer Global Research & Development.*

**Bodman’s Health Care Practice Group:**

**E. William S. Shipman**  
*Chair, Health Care*  
313.393.7562  
wshipman@bodmanlaw.com

**Brandon M. Dalziel**  
313.393.7507  
bdalziel@bodmanlaw.com

**Michael M. Antovski**  
313.393.7519  
mantovski@bodmanlaw.com

**Steven J. Fishman**  
248.743.6070  
sfishman@bodmanlaw.com

**Dennis J. Levasseur**  
313.393.7596  
dlevasseur@bodmanlaw.com

**Nicholas P. McElhinny**  
313.393.7570  
nmcelhinny@bodmanlaw.com

**Maureen Rouse-Ayoub**  
313.392.1058  
mrouse-ayoub@bodmanlaw.com

**Michael A. Stack**  
231.627.8003  
mstack@bodmanlaw.com

**David C. Stone**  
248.743.6045  
dstone@bodmanlaw.com

**David B. Walters**  
248.743.6052  
dwalters@bodmanlaw.com

**Sarah J. Williams**  
734.930.2485  
swilliams@bodmanlaw.com