

New Requirements for Nursing Homes Providers

The Center for Medicare and Medicaid Services (CMS) is ending support for Resource Utilization Group (RUG-IV) on federally required assessments for residents in Nursing Homes and Skilled Nursing Homes as of October 1, 2023. The Patient-Driven Payment Model (PDPM) is the new payment rule for skilled nursing facilities and is intended to replace the RUG-IV system.

Effective October 1, 2023, Wyoming Medicaid will require a concurrent Optional State Assessment (OSA) be completed with the same Assessments Reference Data (ARD), on each federally required assessment submitted. The OSA contains legacy MDS Section G Activities of Daily Living (ADL) functional items and other Minimum Data Set (MDS) items that will be removed from the federal Omnibus Budget Reconciliation Act (OBRA) assessments that will be occurring at the same time. This includes several items such as A0300, D0200, D0300, G0110, K0510, O0100, O0450, O0600, O0700 and X0570 which are needed to allow a RUG-based case mix score to be calculated and the current RUG-based reimbursement methodology to continue beyond October 1, 2023.

Wyoming Medicaid is sympathetic to nursing homes concerning the duplication of information in the OSA which may increase the administrative burden of completing the MDS. We recommend nursing homes start to review their internal software systems for OSA compatibility, in preparation of the implementation of the OSA requirement, to determine if data input fields can be streamlined that are duplicative. Again, the completion of the OSA is needed to continue reimbursement under a RUG-based resident classification system until Wyoming Medicaid has enough data and time to model rates for use in the transition to the Patient Driven Payment Model (PDPM).

CMS has posted the OSA Item Set, OSA Manual, and OSA Change History table at the following website: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/MDS30RAIManual>.

An OSA is required to be performed on the following assessments, and is required for all assessments that meet one of the definitions for any payer (Medicaid, Medicare, Private, Other):

Assessment Schedules After PDPM Implementation (Post-October 1, 2019)

Medicare Prospective Payment System (PPS) Required Assessments

- 5 Day (Admissions)
- Interim Payment Assessment (IPA)
- Medicare PPS Part A Discharge

Omnibus Budget Reconciliation Act (OBRA) Required Assessments [No Change]

- Admission Assessment (comprehensive)
- Annual Reassessment (comprehensive)
- Significant Change in Status Reassessment (comprehensive)

Quarterly Assessment

Essentially, any assessment that a provider performs today for WY case-mix purposes will require the submission of an OSA starting 10/1/23.

If you have any questions or concerns, please feel free to contact Amy Guimond at 307-777-3427 or amy.guimond@wyo.gov.

Deployment Information

Reminder Deployment Date: May 30, 2023

Audiences: Skilled Nursing Facility