



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Aging and Long-Term Support Administration
PO Box 45600, Olympia, Washington 98504-5600

August 30, 2019

AL TSA: NH #2019-017
UPCOMING CHANGES TO THE MINIMUM DATA SET (MDS)
AND CASE MIX METHODOLOGY

Dear Nursing Facility/Home Administrator:

The purpose of this letter is to notify you about upcoming changes the Centers for Medicare and Medicaid Services (CMS) is making to the Minimum Data Set (MDS) and how Washington State will implement those changes.

The MDS is the required assessment and care planning tool used for all residents of nursing homes certified to participate in Medicare or Medicaid, regardless of the payment source of the resident. One component of the current MDS is the Resource Utilization Group (RUG), which is a case mix classification methodology to facilitate payment under Medicare and Medicaid (case mix weights different aspects of the resident assessment and measures the intensity of care and services required for each resident).

Effective October 1, 2019, CMS is replacing the existing case-mix-classification methodology, the RUG-IV model for the Prospective Payment System (PPS), with a revised case-mix methodology called the Patient Driven Patient Model (PDPM). This change is for PPS only.

Washington State bases nursing home Medicaid payments partly on case mix and uses the PPS RUG-IV assessments to capture changes in a patient's case mix. PDPM retires many of the PPS scheduled and unscheduled assessments. To fill this gap in assessments, CMS has given states the option to require the Optional State Assessment (OSA) to capture resident data.

Optional State Assessment (OSA)

As of October 1, 2019, Washington State will **not** require completion of the OSA for Medicare PPS assessments, but may revisit this decision at a later time. All facilities will follow the new PDPM assessment schedule for Medicare PPS residents and the Omnibus Budget Reconciliation Act (OBRA) assessment schedule.

Nursing Home Case Mix and Possible Freezing of Case Mix

Washington State will **not** freeze nursing home case mix in October 2019. Representatives from the state recently met with stakeholders (nursing home associations, consultants and interested parties) and decided to continue to set Medicaid rates based on the current methodology. Once CMS advises states and skilled nursing facilities about what MDS data elements will be available after October 1, 2020, Washington State will reevaluate the need for a possible case mix freeze. For further information on case mix, please visit the [ALTSA Case Mix web page](#).

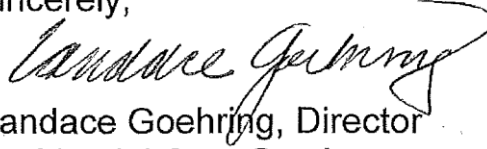
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Thank you for your continued commitment to resident health and safety. If you have questions, please contact [David Carter](#), MDS Coordinator for RCS, 360-725-2620 or [Donna Zaglin](#), RAI Coordinator for RCS, 360-725-2487.

Sincerely,

A handwritten signature in black ink that reads "Candace Goehring". The signature is written in a cursive style with a large, sweeping flourish at the end.

Candace Goehring, Director
Residential Care Services

DSHS: "Transforming Lives"