



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

August 3, 2020

AL TSA: NH #2020-050
CMS UPDATE ON RUG-IV AND PDPM CODES

Dear Nursing Facility/Home Administrator:

On May 13, 2020, the Centers for Medicare and Medicaid Services (CMS) released a memo that included vital information about their update to the Minimum Data Set (MDS) 3.0 (a resident assessment) item sets effective October 1, 2020. CMS is allowing states to collect data from Resource Utilization Group-IV (RUG-IV) and the Patient Driven Payment Model (PDPM) codes on the Omnibus Budget Reconciliation Act (OBRA) resident assessments simultaneously. In the memo, CMS requested states notify them by June 30, 2020 if the state wanted to collect codes from PDPM and RUG-IV concurrently. Washington State accepted CMS' offer of collecting PDPM and RUG-IV codes simultaneously.

Washington State currently uses the RUG-IV coding methodology for Medicaid reimbursement. CMS requires migration gradually to the PDPM payment methodology over the next few years. Aging and Long Term Support Administration (AL TSA) will be studying the impact of making this shift proactively. All parties wish to be sure that existing care will not be compromised and that reimbursement will continue to support quality of care. The May 13, 2020 memo from CMS is positive news to Washington State as CMS is giving us the process and solid direction on how we can transition to PDPM. **Please be sure that your MDS 3.0 software vendor is aware of this choice by Washington State.** AL TSA is committed to continue to provide training, technical assistance, and education regarding the MDS 3.0.

Thank you for your continued commitment to resident health and safety. If you have any questions, please contact Donna Zaglin, RAI Coordinator – Case Mix Accuracy Review Program Manager at (360) 725-2487 or donna.zaglin@dshs.wa.gov; Betty Metz, MDS Coordinator at (360) 725-3432 or betty.metz@dshs.wa.gov; or email questions to mdshelpdesk@dshs.wa.gov.

Sincerely,

Candace Goehring, Director
Residential Care Services

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