

INFORMATIONAL LETTER NO. 2052-MC-FFS

DATE: October 9, 2019

TO: Iowa Medicaid Nursing Facilities (NF), Nursing Facilities for the Mentally Ill (NFMi), and Skilled Nursing Facilities (SNF)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

RE: Optional State Assessment (OSA)

EFFECTIVE: October 1, 2019

****This Informational Letter Replaces IL 2049-MC-FFS****

The Centers for Medicare and Medicaid Services (CMS) will implement the Patient-Driven Payment Model (PDPM) effective October 1, 2019. All scheduled Prospective Payment System (PPS) assessments (except the 5-day) and all unscheduled PPS assessments will be retired. To fill this gap in assessments, CMS has created an OSA as a way for NFs to report changes in patient status, consistent with individual state case-mix rules so that Medicaid payments are not adversely impacted when PDPM is implemented.

The IME relies on the resource utilization group (RUG)-III assessment schedules from PPS for calculating case mix for NF residents. In order to continue the rate setting methodology, the IME will require a 30-day OSA for Medicare recipients beginning October 1, 2019. The Medicare assessment allows for the normalization of direct care costs during rebase periods.

The OSA will need to be completed for any resident, dual eligible **and** Medicare only that has a Medicare Part A skilled stay greater than 30 days. If a resident is discharged from a Medicare Part A skilled stay on day 30 or before, the OSA is not required. If the resident has been in Medicare Part A skilled level of care prior to October 1, 2019 and a 30-day Minimum Data Set (MDS) assessment has already been completed, an OSA is not required for that resident.

The OSA will adhere to the same timing guidelines as previously used for the 30-day assessment. The Assessment Reference Date (ARD) must be set within the range of day 27 through day 33. The OSA must be completed within 14 days after the ARD (ARD + 14 days). The OSA must be submitted electronically and accepted within 14 days after completion (completion + 14 days).

The OSA is completed for state payment purposes only (AO300A) and the assessment type would be Other Payment Assessment (AO300B).

The OSA is not required for residents that are skilled level of care under a Medicare Advantage plan or other private insurance.

There are no changes to the Omnibus Budget Reconciliation Act (OBRA) assessments at this time. NFs should continue to complete OBRA assessments as they do today. The OSA cannot be combined with any federally-required assessment.

The OSA is meant to capture the RUG calculations for the Medicare skilled stay. The OBRA assessments will still create a RUG calculation for non-Medicare assessments for the case mix report.

The NF has the option to complete a quarterly OBRA assessment following the transition from Medicare skilled to NF level of care to be captured on the case mix report. An OSA is not required when a resident transitions from Medicare skilled to NF level of care.

For further information on PDPM, visit the CMS website at:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPFS/PDPM.html>

If you have any questions please contact the minimum data set (MDS) Automation Coordinator at 1-800-383-2856 Ext 2970 or email MDSCoordinatorIA@telligen.com.