

To: Administrators of Tennessee Nursing Facilities

From: Zane Seals, Deputy Chief Financial Officer

Date: September 17, 2019

Subject: TennCare Optional State Assessment (OSA) implementation

Background

The Centers for Medicare and Medicaid Services (CMS) is transitioning to the Patient-Driven-Payment Model (PDPM) resident classification system for the Medicare Skilled Nursing Facility Prospective Payment System (SNF PPS), effective October 1, 2019. As a result of the transition to PDPM certain Medicare SNF PPS Minimum Data Set (MDS) assessment intervals will no longer be required. As of October 1, 2019, CMS will no longer require the completion of the 14-Day, 30-Day, 60-Day, 90-Day and Unscheduled MDS Assessments for the Medicare SNF PPS.

Many states, including Tennessee, with acuity-based reimbursement systems utilize collected MDS assessment information in their reimbursement systems. To allow states the opportunity to continue to collect the information necessary for their Medicaid reimbursement systems, CMS has created the Optional State Assessment (OSA) item set, which contains all items necessary to classify a resident in a Resource Utilization Group (RUG). Per CMS guidance, each state is responsible for mandating the use (if any) and filing frequency of the OSA by its participating providers. After reviewing the potential impacts on the Medicaid reimbursement system the Tennessee Division of Health Care Finance and Administration has elected to require the use of the OSA in order to maintain the appropriate equity and consistency for Medicaid reimbursement.

OSA Implementation

Effective for assessment reference dates (ARD) October 1, 2019 and after, the Tennessee Division of Health Care Finance and Administration is mandating the use of the Optional State Assessment (OSA) item set to replace certain SNF PPS assessments that were retired due to the implementation of the PDPM by CMS.

Medicaid participating nursing facility will be required to complete the OSA item set at the following intervals:

Medicare PPS Assessment Replacement	Assessment Reference Date Range
14-day	Days 13-14
30-day	Days 27-29
60-day	Days 57-59
Start of Therapy	*Unscheduled
End of Therapy	*Unscheduled
Start and End of Therapy	*Unscheduled
Change of Therapy	*Unscheduled

The OSA item set must be completed in accordance with the instructions contained within the MDS 3.0 RAI Manual version 1.17 effective October 1, 2019 (or subsequent versions as they become available). Guidelines for the completion of the unscheduled assessments identified in the above table are contained in the MDS 3.0 RAI Manual version 1.16 effective October 1, 2018. We appreciate the efforts of all providers in implementing the OSA mandate. Any questions or concerns surrounding the implementation of the OSA and the associated filing intervals should be sent to TNCASEMIX@mslc.com.