

**To:** Medicaid-Participating Nursing Facilities  
**From:** Zane Seals, Deputy Chief Financial Officer, Bureau of TennCare  
**Date:** September 24, 2019  
**Subject:** Update on the Tennessee Medicaid Nursing Facilities Optional State Assessment Effective October 1, 2019

## Background

On September 17, 2019 a memo was sent to Medicaid participating nursing facilities as a notice that Tennessee would be requiring the use of an Optional State Assessment (OSA) beginning October 1, 2019. This decision was driven by the federal government's quick migration to the PDPM system that has left states that use RUG groupers with limited policy options to preserve the integrity of the MDS data used to calculate nursing facility rates. TennCare had decided to implement the OSA after discussions with the Tennessee Health Care Association (THCA) about all possible options.

## Elimination of the OSA

Based on feedback from the provider community and discussions with the THCA involving concerns about administrative burden on nursing facility staff, TennCare has elected to eliminate the requirement of the OSA beginning October 1, 2019. Providers should utilize the current assessment schedule being required by CMS under the RAI Manual v. 1.17.1 effective October 1, 2019.

Any questions or concerns surrounding this change should be communicated to [TNCaseMix@mslc.com](mailto:TNCaseMix@mslc.com).