

To: Administrators of Medicaid-Participating Nursing Facilities

From: Zane Seals, Deputy Chief Financial Officer

Date: August 12, 2020

Subject: OBRA Assessment Calculation Modification to Support PDPM Initiatives

On May 15, 2020, CMS updated the minimum data set (MDS) 3.0 item sets (version 1.17.2) to support the calculation of Patient Driven Payment Model (PDPM) case mix groups on Omnibus Budget Reconciliation Act (OBRA) assessments. This update to the MDS item sets provides states the option to begin collecting the MDS information necessary to calculate facility case mix index (CMI) values based on aspects of the PDPM resident classification system as early as October 1, 2020.

These new PDPM items will begin being collected for Medicaid providers for nursing facility MDS assessment submissions effective October 1, 2020 and after.

There are up to 28 additional items that will need to be completed with each OBRA assessment submission to allow for PDPM classification. TennCare believes this is a necessary step to begin evaluating the PDPM classification system and its viability as a replacement for the Resource Utilization Group (RUG) IV classification system that is utilized today for the case mix system. For the time being, no changes will be made to the current calculation methodology. These new items are being collected for informational and evaluative purposes only. Potential future changes to CMI methodology will only occur after discussion between TennCare and the Tennessee Health Care Association (THCA), with consideration for policy changes being pursued by CMS.

It should be noted that elements necessary for PDPM and RUG resident classification will be maintained on a single assessment, and providers will **NOT** need to file an Optional State Assessment (OSA) at this time.

TennCare will work with THCA, Myers and Stauffer, and others to further detail the future reporting process and ensure that all providers and software vendors are educated about the new requirements. Questions or concerns relating to this new requirement should be directed to Myers and Stauffer at TNCASEMIX@mslc.com or (800)374-6858.
