Case Mix Webinar Transcript

JULY 16, 2025

This presentation is not being recorded, but it will be transcribed and later posted on the Case Mix Review Program website.

Hello and good afternoon, everyone. My name is Nadine Olness and I am your state RAI Coordinator and I also work closely with the Case Mix Review program.
Hopefully everybody can hear me OK. I am going to shut off my camera now to preserve the bandwidth and prevent any potential technical problems that may crop up. We will get started with the webinar presentation.

The PowerPoint presentation for today's webinar can be found on the Case Mix Review program, Information for Providers page. There's a link there to the PowerPoint.

As many of you know, Minnesota uses the RUG-IV classification system to determine payment rates for Medicaid and private pay nursing home residents. CMS stopped supporting the RUG-IV classification system on the federally required assessments as of October 1st, 2023. CMS offered states a temporary solution in which they could continue to use the RUG-IV classification system for Medicaid and private pay billing while they evaluated how the shift to PDPM would affect their Medicaid budget and provider reimbursement. The temporary solution was the Optional State Assessment (OSA). The OSA provided all the data elements necessary to calculate a RUG-IV classification. CMS will end support for the OSA on September 30th, 2025.

Slide One: Effective 10/1/25, DHS will be using the Nursing Component of the PDPM classification system for all Medicaid and private pay nursing home residents.

The Nursing Component of the PDPM classification system uses the same classification structure as the RUG-IV classification system with a few modifications.
The first modification is related to the Nursing Function Score. The Nursing Function Score will replace the ADL score currently used in the RUG-IV classification system.
The Nursing Function Score is based on seven items in section GG rather than the four items used in Section G of the MDS. The number of the nursing groups are reduced from 48 to 25 in the PDPM classification system and therapy services are not included in

the classification.

Next Slide: What does this mean for your facility? With retirement of the OSA and the move to the PDPM classification system, there are some MDS assessment schedule changes that you need to be aware of. Effective 10/1/25, the OSA will no longer be required each time an OBRA comprehensive or Quarterly assessment is completed. In addition to this, an assessment will no longer be required when all therapy services end, and a Significant Change in Status Assessment (SCSA) is required when isolation services end if, isolation was coded on the previous OBRA assessment. The ARD of the SCSA must be set on day 15 after isolation has ended just as it is currently.

Next Slide: With RUG-IV billing ending on 9/30/25 and the PDPM billing beginning on 10/1/2025, some residents may need to have an extra assessment completed. If the residents most recent assessment prior to September 30th, 2025 was a standalone OSA for the end of therapy or the end of isolation, an OBRA assessment and an OSA with an ARD set on or prior to 9/30/2025 must be completed to receive a PDPM classification that will be used for billing effective 10/1/25. Failure to complete this assessment will result in a penalty for a late assessment. The penalty will be in effect from the time the assessment was due, which would be 9/30/25, until the 1st of the month following submission and acceptance of the assessment into the iQIES system. I have included a few examples of how this would look to enhance understanding of this requirement.

Next Slide: In our first example, the prior OSA had a Rehab RUG-IV classification and the last day of therapy was 8/1/25. The facility has a couple of options.

> Option #1, the facility could choose to complete a standalone OSA with an ARD set on 8/9/25. The facility would also have to complete a quarterly and an OSA with an ARD set on or prior to 9/30/25. On 10/1/25, the facility would bill the PDPM classification from the quarterly assessment.
> Option #2, Complete a SCSA and an OSA with an ARD set on 8/9/2025. Then on 10/1/2025, bill the PDPM classification on the SCSA.

Next Slide: Our second example is for isolation.
Isolation was coded on the prior OSA and the last day of isolation was 9/1/25. Again, the facility has two options.

Option #1, the facility could choose to complete a standalone OSA with an ARD set on 9/16/25. The facility would also have to complete a Quarterly and an OSA with an ARD on or prior to 9/30/25. Then on 10/1/25, the facility would bill the classification on the Quarterly assessment.

Option #2 Complete a SCSA and an OSA with an ARD set on 9/16/25.
Then on 10/1/25, bill the PDPM classification on the SCSA.

Next Slide: In our third example, the prior OSA had a Rehab RUG. The last day of therapy is 9/23/25. Day 8 after therapy ended is 10/1/25. In this scenario, No additional assessment is necessary. On 10/1/25, the facility would bill the PDPM classification on the most recent OBRA assessment.

Next Slide: With the move to PDPM there will be a change to the Case Mix Classification Notices beginning in July. The Case Mix Classification Notices will report both, the RUG-IV classification and the PDPM classification for all assessments with an ARD of 7/1/2025 or later. The RUG-IV classification is effective on the date listed in the notice. The PDPM classification is effective beginning on 10/1/2025.

Next Slide: I wanted to take this opportunity to inform providers who may use the iQIES User Interface Tool to complete and submit their MDS' that the iQIES User Interface Tool will no longer receive updates beginning October 1st, 2025. Facilities will no longer be able to complete and submit their MDS' through the iQIES User Interface Tool for assessments that have a target date of October 1st, 2025, or later.
Most providers in Minnesota will not be affected by this change. Those facilities, who currently rely on the iQIES User Interface Tool to complete their MDS' will need to transition to a vendor, a third party or company software to complete and submit their MDS assessments in XML format by October 1st, 2025.

Nest Slide: We would also like to take this opportunity to discuss a few of the common MDS coding errors we see during audits.
The first one is Shower/Bathe Self GG0130E and Tub/Shower Transfer GG0170FF. To use one of the Safety and Quality of Performance codes for these items, the medical record must contain documentation indicating that the resident received a bath in the three-day observation period. If the resident did not receive a bath or shower because the resident did not attempt the activity and the helper did not complete the activity for the resident during the three-day observation period, the items would be coded using one of the four Activity Not Attempted codes.

However, if the resident did not receive a bath or shower because they're assigned bath day was not in the three-day observation period, the assessment did not occur and these items must be coded with a dash value indicating the data element was not assessed and therefore, no information is available. It is inappropriate to use one of the Activity Not Attempted codes in this situation.

Next Slide: The next item that we want to address is height, K200A.
Height is based on the most recent height obtained since the most recent entry or re-entry to the facility. Height should be measured consistently over time and in accordance with facility policy and procedure. Height is recorded in inches and rounded to the nearest whole inch. If the last height recorded was more than a year ago. Measure and record the resident's height again in the seven-day observation period of the assessment. If there is no height measurement within 12 months of the ARD. This item must be dashed.

Next Slide: The nursing function score is another item that auditors frequently adjust. The seven items listed on the slide determine the nursing function score.
The nursing function score impacts every PDPM classification. The documentation in the medical record used to support the coding of these items must be obtained in the three-day observation period of the assessment, progress notes and assessments completed prior to or after the three-day observation period cannot be used to support

the MDS coding of these items.

Accurate GG coding requires a thorough understanding of the Self-Care and Mobility definitions, the Safety and Quality of Performance definitions, and the appropriate use of one of the Activity Not Attempted codes. Nursing homes are responsible to ensure that all participants in the assessment process have the knowledge necessary to complete an accurate assessment. Facilities need to ensure that staff are trained and have a thorough understanding of all the GG definitions.

Next Slide: Federal regulations require that the assessments accurately reflect the resident status, a registered nurse conducts or coordinates each assessment with appropriate participation from healthcare professionals, and the assessment process includes direct observation as well as communication with the resident and direct staff on all shifts.

Nursing homes are left to determine who should participate in the assessment process, how the assessment process is completed, and how the assessment information is documented while remaining in compliance with the federal regulations and the instructions contained in the RAI Manual.

Next Slide: A resident's Self-Care and Mobility's performance is based on direct observation, residence self-reports, reports from qualified clinicians, care staff and family that are documented in the medical record during the three-day observation period. This is a key point, the MDS supporting information must be documented in the medical record during in the three-day observation period. Additional key points include: Code the resident's usual performance, not their best or worst performance.
The resident should be allowed to perform the activities as independently as possible if, they are safe to do so. The staff who provide the assistance with these activities should be the ones supplying the data to support the MDS coding. There is no regulatory requirement that indicates section GG supporting documentation must be documented by a licensed nurse or rehab staff. For an accurate picture of a resident's functional

status, collect data from all three shifts during the observation period and observe the resident in different scenarios, circumstances, and interaction. Document only what occurred in the three-day observation period. Do not record staff's beliefs regarding what the resident is capable of or their potential ability to perform the activity. If the activity was not completed in the three-day observation period, then use of one of the activity not attempted codes if appropriate or dash the item.

Next Slide: A few comments about clarification notes. The documentation requirements for section GG are no different than what we expect to see for Section G. Case mix auditors expect to see documentation in the medical record to support the MDS coding from all shifts during the observation period of the assessment. The information collected should be validated for accuracy by the staff completing the assessment. A clarification note is one way to validate potentially incorrect information documented in the medical record during the observation period. A clarification note is not used for a lack of documentation in the observation period. If the MDS nurse disagrees with the documentation in the medical record, they must validate the information for accuracy with the person who documented it.
Where discrepancies between the medical record documentation and the MDS coding exist, a clarification note must be written to explain: the rationale for the coding decision, how the information was obtained, and who provided it. Clarification notes can be written after the assessment ARD but must be documented prior to the MDS completion date. Late Entry clarification notes written after the MDS completion date will not be used by the case mix auditors to validate the MDS coding.

Next Slide: DHS does anticipate publishing the rates for each PDPM classification in mid to late August. We want to thank you for your participation in this webinar today. Any questions regarding the content in this webinar can be submitted via e-mail to health.mds@state.mn.us The frequently asked questions and their responses will be compiled into an FAQ document which will be posted on the Case Mix Review Program website approximately 1-2 weeks following this webinar.
Thank You

stopped transcription

Minnesota Department of Health
Program name
Street address
PO Box #####
St. Paul, MN #####-####
###-###-####
email@state.mn.us
www.health.state.mn.us

mm/dd/yy

To obtain this information in a different format, call: ###-###-####.