

11/6/2023 Kansas Medicaid PDPM training FAQ

Question 1: The Myers and Stauffer report for this last quarter it still reflects the RUG data?

A: Correct, the October 1, 2023 listing includes RUG data for all active resident assessments as of that date. It is the last listing that will be used to adjust FY 2024 rates with RUG CMI data. This data will be combined with the July 1, 2023 listing data to adjust the January 1, 2024 rate.

Question 2: Will the report moving forward reflect PDPM nursing HIPPS?

A: Yes, the listing for January will list PDPM values.

Question 3: Why is the Medicaid days under PDPM 36,000 less than the RUG Medicaid days?

A: All data for the FY 2025 projections included 36,000 less days (RUG or PDPM) because of the loss of providers and facility closures; Kansas has been trending a small decrease in days for years; this change is not attributable only to PDPM.

Question 4: So now this all is the same for skilled and non-skilled nursing homes?

A: Correct, the Kansas Medicaid program does not differentiate between skilled and non-skilled nursing homes.

Question 5: I'm hearing from our MDS people that our CMI values are showing drastic declines since the MDS changes on October 1 - we're concerned about how this will impact our Medicaid rate.

A: CMS is working to resolve issues and they are sharing updates on a "Known Issues" web page, <https://iqies.cms.gov/known-issues>. Kansas will next collect PDPM data in March/April of 2024; this should give CMS time to get things sorted out. Keep in mind, RUG CMI data will not be used in Kansas after October 1, 2023; moreover, RUG CMI values will no longer calculate accurately since CMS eliminated section G and other data elements from the MDS.

Question 6: Will the CMI values assigned for each Nursing Case Mix Group be the same values that Medicare has assigned, or will Medicaid use different CMI values and where can we find those values if they are different?

A: Kansas currently plans to use the values in place October of 2020, which were based on time study data. CMS made budgetary adjustments in October of 2022 and 2023 that did not reflect updated time study information. This does create a difference between the Medicare and Kansas Medicaid values. Please share your preference and reasoning for which CMI set Kansas should use during the FY 2025 rate setting process. Please keep in mind value sets must be applied throughout all calculations.

Question 7: Is there a table/graph that gives the CMI rate for each Nursing HIPPS code. Example the old RUG; CA1 was 0.95. Is there a table/graph that tells us what new CMI would be for example CBC1?

A: A table has been posted here: <https://kdads.ks.gov/kdads-commissions/long-term-services-supports/nursing-facility-and-adult-care-home-programs>. Kansas plans to use the original set of CMI values that were in effect as of October 1, 2020 (CMS implemented these in 2019), and that are based on time study data. Please refer to the response to Question 6 and share your preference and reasoning for which CMI set Kansas should use during the FY 2025 rate setting process.

Question 8: Did I miss the statement that the verbiage of PDPM refers to just the Nursing Component of PDPM for Kansas?

A: Kansas will use the PDPM Nursing Component with 25 case mix groups broken down between five major categories:

- Extensive Services
- Special Care
- Clinically Complex
- Behavioral/Cognitive Impairment
- Reduced Physical Functioning

Question 9: For the NFMH's that have a low CMI anyway, how does this look for them?

A: Our initial analysis showed little difference between RUG and PDPM calculations for NFMH facilities. Initial analysis shows that rebasing will have a much more significant impact than changing to PDPM (a full rebase is required to transition to PDPM). KDADS will closely monitor the total rate impact between the current FY 2024 rates and the FY 2025 rates.

Question 10: Does this apply to Home Plus facilities at this time?

A: No, the rate setting methodology for NF/NFMHs does not apply to Home Plus facilities.

Question 11: Snapshot days are remaining the same, correct?

A: Yes, no change. July 1 rates will continue to use January 1 and April 1 snapshots, and January 1 rates will continue to use July 1 and October 1 snapshots.

Question 12: How will therapy be paid for residents with no Medicare part B?

A: Therapy expenses should be reported on the Medicaid cost report following the Kansas Medicaid cost report instructions. These costs are captured in the Indirect Health Care cost center. The Medicaid rate calculation recognizes the therapy costs for Medicaid residents that are not otherwise reimbursed. These costs are a very small share (less than 1%) of total Kansas Medicaid nursing facility costs and are not adjusted for case mix.

Question 13: Will a recording be available at a later date?

A: Yes, within a week the recording will be sent to KACE, Leading Age and KHCA.

Question 14: The presenter's last sentence confused me. To confirm therapy RUG min/days no longer affects CMI.

A: RUG CMI values will not be collected after October 1, 2023, and therefore therapy RUG min/days will no longer affect CMI calculations after that date. The January 1, 2024 rate calculation will reflect a RUG-based case mix adjustment using CMI data from the July 1, 2023 and October 1, 2023 snapshots. All subsequent case mix adjustments will utilize PDPM nursing CMI data. The first of these adjustments will be for the July 1, 2024 rates.

Question 15: How are we determining rates thru July 2024 since OSA's are required as of Oct 1?

A: The last case mix adjustment for FY 2024 will be effective January 1, 2024 and will use RUG CMI data from the July 1, 2023 and October 1, 2023 resident listings. Both of these listings use assessments from prior to October 1, 2023. OSA is not required in Kansas. The January 1, 2024 rate adjustment will be in effect through June 30, 2024. Beginning July 1, 2024 all case mix adjustments will be based on PDPM CMI data. With the 2023 cost reporting year, we will have 3 years' worth of PDPM data to calculate rates for July 2024.

Question 16: Until CMS fixes the HIPPS code errors, how are we to accurately determine payments for our private pay residents? We use the RUG level to determine a Level of Care for each resident. This determines their daily room rate. Is there a new CMI scale that we should be using for PDPM that accurately reflects this? Since the Oct. 1st update, all of our previously level 3 and 4 residents are now level 1's.

A: This question is twofold. First, if a facility based its private pay levels of care on the RUG classification, the facility would need to develop a new rate structure using PDPM data as it will no longer be possible to calculate RUG classifications for assessments completed after October 1, 2023. KDADS would recommend working with a clinical consultant to determine how to use PDPM data to update private pay payment structure. Second, CMS has shared that there are issues with the PDPM HIPPS code calculations for assessments completed after October 1, 2023. CMS is working to resolve these issues and they are sharing updates on a "Known Issues" web page, <https://iqies.cms.gov/known-issues>. KDADS recommends following CMS guidance; this may include the need to temporarily calculate levels of care manually and monitoring MDS data closely to ensure data accuracy.

Question 17: Should we be capturing therapy minutes on OBRA assessments under PDPM?

A: Complete assessments following the CMS instructions for completing the MDS.

Question 18: With the new regulations, Rug III scores in OBRA assessments are no longer accurate since section G is not part of the MDS. You will need to confirm with the Kansas state RAI coordinator on whether or not they are using the OSA to obtain that calculation as it still has section G and the appropriate questions to calculate the RUG III. States that continue using RUGs for reimbursement after October 1 will require the Optional State Assessment (OSA). The OSA includes section G to calculate a RUG score. The OSA is a standalone MDS assessment and cannot be combined with another assessment.

A: After October 1, 2023, RUG data is no longer needed for rate calculation. Kansas decided not to use an OSA. Please refer to previous questions/responses for details about how RUG-based rate calculations will be made for the remainder of FY 2024.

Question 19: The problem with this is Kansas decided we are not using the OSA and will transition to PDPM on July 1, 2024. My question is what are providers supposed to do to bridge the gap on these assessments between October 1, 2023 and July 1, 2024 if we aren't using the OSA? My understanding was KDADS only had until October 1, 2023, to notify CMS if we were going to use the OSA, so I don't know if that is an option any longer. Each person we've talked to – whether it's a state agency or software company or what our National association has shared from CMS – has said it's someone else's fault which isn't giving us a lot to offer in terms of support or fixes for our providers who are needing to submit but could be jeopardizing their CMI if they do so with how it's currently being calculated.

A: Kansas Medicaid rates for SFY 2024 (July 2023 and January 2024) were and will be determined using RUG CMI data from assessments completed through September 30, 2023.

The last RUG-based rate adjustment in Kansas will be for January 1, 2024, and will be effective through June 30, 2024.

KDADS has been collecting both RUG and PDPM data since SFY2021. As of October 1, 2023, KDADS will collect only PDPM data. For rates effective July 1, 2024, and after, the case mix adjustments will be based on PDPM data.

See table below:

Kansas Nursing Facility Rate Setting Data Summary without Using OSA

Rate Period		Base Data Period			Acuity Adjstmnt Data Period		Case Mix System
Eff Date	Thru Date	Year 1	Year 2	Year 3	MDCD CMI Listing Dates		
07/01/23	to 12/31/23	2020	2021	2022	01/01/23	04/01/23	RUG
01/01/24	to 06/30/24	2020	2021	2022	07/01/23	10/01/23	RUG
07/01/24	to 12/31/24	2021	2022	2023	01/01/24	04/01/24	PDPM
01/01/25	to 06/30/25	2021	2022	2023	07/01/24	10/01/24	PDPM
07/01/25	to 12/31/25	2022	2023	2024	01/01/25	04/01/25	PDPM
01/01/26	to 06/30/26	2022	2023	2024	07/01/25	10/01/25	PDPM
07/01/26	to 12/31/26	2023	2024	2025	01/01/26	04/01/26	PDPM
01/01/27	to 06/30/27	2023	2024	2025	07/01/26	10/01/26	PDPM

Key: RUG only RUG or PDPM PDPM only RUG or PDPM PDPM only

Question 20: I understand Kansas would have the ability to address MDS data before it is used for rates, but how can that data be addressed if there's nothing such as an OSA to track those discrepancies? Does presenter have any suggestions on how providers should be tracking or submitting these in the meantime?

A: CMS has shared that there are issues with the PDPM HIPPS code calculations for assessments completed after October 1, 2023. CMS is working to resolve these issues and they are sharing updates on a "Known Issues" web page, <https://iqies.cms.gov/known-issues>. KDADS recommends following CMS guidance; this may include the need to temporarily calculate levels of care manually and monitoring MDS data closely to ensure data accuracy.