Use of RUG for Nursing Facility Medicaid Payments After October 1

Information Posted January 15, 2020

Background: Effective October 1, 2020, the Centers for Medicare & Medicaid Services (CMS) will no longer calculate Medicaid Resource Utilization Group (RUG) III values on Minimum Data Set (MDS) 3.0 Comprehensive and Quarterly Assessments. The Health and Human Services Commission (HHSC) is evaluating long-term Medicaid nursing facility (NF) payment methodologies and has developed an interim solution until a new methodology is in place. HHSC will create a Nursing Facility Payment Methodology Advisory Committee and will solicit for membership in the near future to decide a long-term payment methodology.

Key Details: HHSC will continue using the existing RUG III payment methodology without payment interruption to the NF.

The interim solution, beginning October 1, will be:

- All data elements used for RUG III calculation will be captured on a separate tab of the Comprehensive and Quarterly MDS assessments for assessments with an Assessment Reference Date (ARD) of October 1 or later.

- The assessment is on the TMHP Long-Term Care (LTC) Online Portal.

- All RUG related fields which are present and populated on the Comprehensive and Quarterly MDS assessments when received from CMS, will be prepopulated and read-only on the new tab.

- All RUG fields removed by CMS from the Comprehensive and Quarterly MDS Assessments (e.g., Section G), will be blank and required to be entered on the new tab.

- Once all fields on this new tab are complete and the Long-Term Care Medicaid Information (LTCMI) submitted, this will allow TMHP to calculate the RUG III values on the LTC Online Portal.

Additional Information: The SimpleLTC vendor will be informed of changes to the Comprehensive and Quarterly MDS assessments by TMHP as part of the project.

This interim solution will not impact the transmission of RUG III values to payers including TMHP and managed care organizations for use in claims adjudication.

Additional information will be communicated on TMHP.com in late February as the interim solution progresses.

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