# *Rhode Island Medicaid*
# *Resource Utilization Grouper (RUG)*
# *Frequently Asked Questions*

*Effective June 1, 2013, the Rhode Island Office of Health and Human Services (OHHS) is adopting a new Medicaid method of paying for Nursing Home and Hospice room and board services based on* the *Minimum Data Set (MDS) 3.0 format with the* ***CMS RUG IV V1.02*** *Grouper version containing 48 RUG categories. The MDS assessment is a clinical tool used to identify all residents' strengths, weaknesses, preferences, and needs in key areas of functioning.*

*Please note: This document has been updated with revisions to questions 5, 11, 18, and 23.*

## 1. When will the new method implemented?

The new method will apply to stays with date of service on or after June 1, 2013. The first claims will be processed in the Nursing Home Cycle in July 2013.

## 2. What change was made?

OHHS changed its previous per diem-based payment method to a new method based on the RUG code that is determined by the CMS RUG IV V1.02 Grouper version containing 48 RUG categories. The daily rate is calculated based on the RUG weight (associated with the RUG Code). Each RUG will have a weight indicating the level of care for the resident in the nursing facility.

## 3. What providers are affected?

Nursing Home and Hospice Providers

## 4. What services are affected?

Non-skilled Nursing Home stays and Hospice room and board services, RUG pricing will be applied to claims billed with Procedure Code T2046 (Hospice Long Term Care, Room And Board Only; Per Diem). Hospice room and board claims will continue to reimburse at 95% of the calculated per diem.

## 5. Who determines the RUG Code?

The RUG Grouper software reads MDS assessment Sections B through P clinical data and calculates the RUG Code. Incomplete assessment will result in determining either incorrect RUG and/ Default RUG AAA.

## 6. What are the different types of Assessments?

There are several types of assessment codes to indicate the Type of Assessment (field A0310A) on the MDS assessment transaction being submitted by the Nursing Homes and Hospice facilities.

They are as follows:

- Admission Assessment (value=01)
- Quarterly Assessment (value =02)
- Annual Assessment (value =3)
- Significant Change in Status Assessment (value 04)
- Significant Correction in Prior Comprehensive Assessment (value=05)
- Significant Correction in Prior Quarterly Assessment (value=06)
- Not OBRA Required Assessment (value 99).

## 7. Should Nursing Home put a RUG Case Mix Group and RUG Version Code information in Field Z0200 or Z0250 of the MDS assessment form?

No, it is not a required field for RI Medicaid. Information in these fields will not be used or will be ignored during the determination process of a RUG code by the RUG Grouper.

## 8. Will claims with a RUG code of AAA be reimbursed?

Yes, RUG AAA has a RUG Weight of .40 for claim reimbursement. Once an updated MDS is received, the provider can submit an electronic replacement to reprocess the claim to pay at the updated RUG. Note: RUG AAA will be selected for claim payment even if for only one day within the billing period.

Attention should be placed on the importance of completing all the required fields on MDS Assessment to ensure the appropriate RUG Code is calculated by the Grouper and reimbursement is accurate.

## 9. What happens if there is an AAA rug code on file for a portion of the time period being billed?

If any date during the time period being billed has a RUG of AAA on file, the entire claim will process with a RUG of AAA. For example: DOS are 07/01/13-07/31/13. RUGs are as follows:
07/01/13-07/08/13 – RA1
07/09/13-07/17/13 – AAA
07/18/13-07/31/13- RA1

Claim will process with the AAA RUG. Once an updated MDS is received that creates a new RUG, the provider can submit an electronic replacement to reprocess the claim.

## 10. What determines the 'effective' date of the RUG Code?

| Type of Assessment | Date RI Medicaid will use for effective date |
|---|---|
| Admission – Assessment 01 | Entry Date from field A1600 |
| Quarterly Assessment 02 | Assessment Reference Date from field A2300 |
| Annual Assessment 03 | Assessment Reference Date from field A2300 |
| Significant Change in Status Assessment 04 | Assessment Reference Date from field A2300 |
| Significant Correction to Prior Comprehensive Assessment 05 | Assessment Reference Date from field A2300 |
| Significant Correction to Prior Quarterly Assessment 06 | Assessment Reference Date from field A2300 |
| Modification to existing record 02 from field A0050 | Assessment Reference Date from field A2300 |
| Entry Discharge Reporting 01 (Entry tracking Record) | Entry date from Field A1600 |

## 11. What determines the 'end' date of the RUG Code?

- Return not anticipated (10) from field A0310F
- Return Anticipated (11) from field A0310F
- Death (12) from field A0310F
- The Discharge Date from Field A2000
- New assessments where RUG changed **-** New MDS assessment will end date RUG one day prior to effective date of newest MDS assessment
- Reentry Field A1700 value=2

A discharge assessment will subtract one day from Discharge Date on the MDS Assessment and use that as the end date for the RUG code. This will be consistent with how the Long Term Care (LTC) authorization record is created. RI Medicaid does not pay for the day of discharge.

## 12. What happens if a RUG code changes during the month?

- The RUG code that is on file as of the 15th of the month will be used to process the claim for the month. If one Rug code is effective for the entire length of service on the claim, that RUG code will be utilized.
- If multiple RUG codes in a given month, and dates of service span the 15th, and one is effective on the 15th, the RUG code effective on the 15th will be utilized. If DOS on claim does not span the 15th, select the RUG code based on the To date of service.
- If multiple RUG codes in a given month, and neither is effective on the 15th, select the RUG code effective on the 'TO' Date of service.

## 13. What happens if a RUG code changes retroactively and the claim has already been processed for that time period?

If there is a change to a RUG code that would change the way the claim originally processed, the provider should submit an electronic replacement for that paid claim if the date of service is within the timely filing limit of 365 days from the date of service. If the date of service is greater than 365 days old but is allowed due to timely filing rules, the provider should submit a single claim adjustment request to have the claim re-processed. DXC Technology will not process these automatically.

## 14. Do MDS Assessments need to be submitted for Short Terms Stays?

If a recipient's length of stay is expected to be less than 14 days, an assessment is required for a recipient at 5 days, which is consistent with the Medicare Guidelines. The entry and discharge assessment can be submitted on one assessment.

## 15. What should I do when a recipient acuity status change?

Submit a new MDS assessment marking add in Field A0050 with value of 1 (Add New Record) and in Field A0310A enter value of 04 (Significant change in status assessment)"'

## 16. What should I do if an error was made to Type of Provider (Field A0200), Type of Assessment (Field A0310), Entry Date (Field A1600), Discharge Date (Field A2000) or Assessment Reference Date (A2300)

You must inactivate prior MDS assessment and resubmit a new MDS record. Refer to CMS RAI Manual Chapter 5 for additional information.

## 17. What is used to identify a record when an update/modification is made to the existing MDS assessment?

The date provided in Field X0700A through C is used to locate a recipient record that requires an updated.

## 18. Do I complete a new MDS assessment when a patient is re-admitted (re-entry) after a discharge assessment?

A new MDS assessment needs to be submitted for residents re-admitted that are due for an OBRA MDS assessment or meets the qualifications for a significant change in status assessment upon return to the facility Refer to MDS 3.0 Chapter 2 for more information.

Entry tracking assessments (value of '01' in Field 0310F) and Reentry Field A1700 (value of 2) should be submitted to track when patients are re-admitted to the Nursing Home at the same level of acuity when they were discharged. Clinical information is not included on the entry tracking assessment, and the RUG code that was in effect at the time of the discharge will be the RUG code in effect at the time of the re-entry admission

## 19. Will both OBRA and PPS Assessments be applied in RI processing of RUG?

All assessments submitted(OBRA and PPS Only) will be applied and the corresponding RUG code will be added to the RI MMIS system based on the order the assessments are received. The appropriate RUG code will be selected based on the dates of service on the claim.

## 20. Will the RUG Code be on the Remittance Advice Report?

Yes

## 21. What will happen to claims if a RUG is not found for a recipient?

Claims will be held in suspense for 30 days. If an updated MDS is received within the 30 days, the claim will re-process with an updated RUG code. If an updated MDS is not received, the claim will deny. The provider will need to resubmit the claim for processing. Attention should be placed on the importance of completing all the required fields on MDS Assessment to ensure the appropriate RUG Code is calculated by the Grouper and reimbursement is accurate.

## 22. How is Entry/Discharge Reporting and /entry tracking record applied to recipient record?

If it is a re-entry admission, and a significant change is status has not occurred, submit an 'entry tracking assessment' (Entry/Discharge = '01' in Field 0310F and Reentry Field A1700=2) Record is added using the entry date and most recent/active RUG code in MMIS. If recipient RUG record does not exist on RUG table, record is added with RUG AAA. Upon receipt of a subsequent assessment for same entry date, the RUG code AAA is cancelled and a new RUG is added using same date.

## 23. What happens when duplicate MDS transactions are submitted in error on the same date and for the same assessment period? (For example: two MDS transactions are received for same entry and ARD date and based on clinical data Grouper calculated different RUG code.)

In this situation, the first transaction received is used to add records in MMIS. As a result, there is a potential that claim is processed using inappropriate RUG, as we cannot determine which MDS transaction is correct.

If the incorrect RUG code is processed, providers should refer to chapter 5 of the RAI manual for guidance on correction of MDS assessments.

## 24. What Case Mix Index (CMI) is used for RUG IV Grouper 48 Model RUG?

48 Grouper F01 Nursing Only

## 25. Which RUG classification should I use for the RUG Grouper software Index Maximizing or Hierarchical?

Index Maximizing. For detailed definition refer to CMS RUG-IV Version 1.02.0 Grouper Documentation

In clarification of the way claims have been processed using RUG methodology, there are two classifications within the Index Maximizer. RI will use the Index-Maximized Normal classification.

- An Index-Maximized normal classification which includes a Rehabilitation and Extensive Services group or a Rehabilitation group
- An Index-Maximized Non-Therapy classification which excludes the Rehabilitation and Extensive Services groups and the Rehabilitation groups.

RI will use the Index Maximizer normal classification as this group also includes the Rehabilitation groups within the 48 Model Group. The RUG Grouper software calculates/generates the RUG code based on the MDS data and populates a Rug code in the field name sRugHier. This RUG code from the sRugHier field will be used for claims processing.

## 26. Does Rhode Island (RI) use values provided in the RUG-IV V1.02 CMI Sets for F01-Nurs Only?

No, RI use RUG Weights established by OHHS.

## 27. What process should be followed if the Nursing Home disagrees with the RUG that was used to process the payment?

If the RUG is not what you were expecting, please contact the Customer Service Help desk to inquire on the current RUG for the dates of service in question. It is possible that due to timing, we did not have the most current MDS on file. If the RUG was updated after the claim processed, the Nursing Home can submit an electronic replacement to have the claim reprocessed with the updated RUG.

## 28. How long does it take to receive the MDS once the Nursing Home submits it?

It appears to be taking approximately 2 weeks from the time the MDS is submitted to CMS. This does not take into account the period from when the assessment begins and the date you submit it. As example: if the assessment begins on 07/04/13 and is not submitted until 07/22/13, it will take about 2 weeks from 07/22/13 to make it into our system.

### 29. What is the last date the MDS would have to be seen in the DXC system in order for them to appear correctly on the RA?

MDS's are pulled from the data warehouse weekly, on Sunday. In order for the most current MDS to be used, it would have to be to DXC via the data warehouse on the Sunday prior to the nursing home claim submission deadline.

### 30. Will applied incomes still be deducted in the same manner?

Yes, applied incomes will be deducted as they are today, they will not be pro-rated.