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MEDICAID INFORMATION RELEASE MA16-15

To: Long Term Care Providers

From: Matt Wimmer, Administrator
Division of Medicaid

Subject: Medicaid Case Mix Index (CMI) Resource Utilization Group (RUG)-IV

Effective for claims with dates of service on and after July 01, 2017, the Resource Utilization Groups (RUG)-III grouper, which is utilized in calculating the Medicaid CMI for Nursing Facility Medicaid Rates per IDAPA 16.03.10.257.01, will be replaced by the RUG-IV 48 Group, Version 1.03 grouper. RUG-IV is based on the most recent Centers for Medicare & Medicaid Services (CMS) initiated Staff Time Resource Intensity Verification (STRIVE) Study conducted in 2005, and reflects the most recent care practices and resource needs of nursing homes. Medicare Part A Prospective Payment System (PPS) payments have been utilizing RUG-IV since the implementation of Minimal Data Set (MDS) 3.0 on October 01, 2010.

The RUG-III grouper, which has been in place since the Medicaid PPS was implemented on July 01, 2000, will continue to be used for the acuity-adjusted portion of nursing facility Medicaid rates for the remainder of the current rate year ending June 30, 2017. In addition, "shadow" rates will be calculated using RUG-IV CMIs to adjust the acuity portion of the nursing facility rate. A copy of the "shadow" rate will be included with the quarterly nursing facility Medicaid rate and is intended for informational purposes only.

If you have any questions regarding this change, please contact the Office of Reimbursement in the Idaho Division of Medicaid at (208) 287-1175.

Thank you for participating in the Idaho Medicaid program.

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