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**Medicaid Information Release # MA19-13**

**To:** Medicaid Nursing Facility Providers

**From:** Matt Wimmer, Administrator  
Division of Medicaid

**Subject: Impact of changes to Idaho's Medicaid Nursing Facility rates and assessment schedules as a result of Medicare changes to the Prospective Payment System**

Beginning October 1, 2019, Medicare will implement a new Prospective Payment System (PPS) for nursing facility beneficiaries during a Part A-covered stay called the Patient Driven Payment Model (PDPM). The PDPM utilizes a streamlined assessment schedule that requires the completion of three assessments: 5-day assessment, PPS discharge assessment, and if applicable, an Interim Payment Assessment (IPA). All other Medicare assessments will be retired. Nursing facilities will continue to complete Omnibus Budget Reconciliation Act (OBRA) assessments according to the traditional schedule.

The Division of Medicaid has elected to not require the use of the Optional State Assessment (OSA) beginning October 1, 2019. This election, coupled with the retirement of certain Medicare PPS assessments will significantly lessen the administrative burden on the provider community. The reduction in Medicare PPS assessments will not result in any impact to the October 1, 2019 or January 1, 2020 Medicaid rates, as the case mix index (CMI) used to adjust those rates are based on the Minimum Data Set (MDS) data for periods prior to October 1, 2019. No significant impact to the April 1, 2020 Medicaid rates is expected, as only Medicaid assessments after October 1, 2019 will be used to calculate this rate.

Beginning October 1, 2020, our current understanding is that the OSA will be the only assessment type that will include all MDS items required for Resource Utilization Group (RUG) classification. States wishing to maintain a RUGs-based case mix reimbursement system must require Medicaid-certified nursing facilities to complete the OSA in some capacity beginning with MDS assessment submissions October 1, 2020 and after.

The Division of Medicaid is still researching its options for the OSA starting October 1, 2020, and further guidance will be forthcoming.

If you have any questions or comments about this release, please contact the Office of Reimbursement in the Division of Medicaid at (208) 287-1180 or email [MedicaidReimTeam@dhw.idaho.gov](mailto:MedicaidReimTeam@dhw.idaho.gov).

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