Department of Health Care Finance Informational Bulletin

DATE: November 1,2022

FROM: Melisa Byrd, Senior Deputy Director and Medicaid Director

SUBJECT: **Patient Driven Payment Model (PDPM) Data Collection**

The purpose of this informational bulletin is to inform all District of Columbia Medicaid Nursing Facility providers about DHCF's intent to change the item set fields required to be completed for the minimum data set (MDS) assessment submissions.

On May 15, 2020, the Centers for Medicare and Medicaid Services (CMS) released Minimum Data Set (MDS) version 1.17.2, which was effective October 1, 2020. This version has an option for supporting the calculation of Patient-Driven Payment Model (PDPM) payment codes on OBRA assessments when not combined with the 5-day Skilled Nursing Facility (SNF) Prospective Payment System (PPS) assessment, specifically the OBRA NC and OBRA NQ assessment item sets, which was not possible with item set version 1.17.1. The revised item set by CMS allows the District of Columbia Department of Health Care Finance (DHCF) time to begin evaluating PDPM or a PDPM-like payment system for Medicaid in the future.

DHCF intends to require the reporting of the PDPM payment codes on the OBRA assessments when not combined with a 5-day SNF PPS assessment. These additional data elements are necessary for DHCF to begin modeling and planning for a potential transition to some form of PDPM. Based on communications from CMS, the Resource Utilization Group (RUG) system will not be supported indefinitely; therefore, DHCF must be proactive in gathering data to allow adequate time to evaluate the next steps.

This MDS version does not require the Optional State Assessment (OSA). The item set effective October 1, 2020, includes certain MDS fields on the OBRA assessment for Medicaid to begin collecting data for potential PDPM transition while continuing RUG reimbursement. Since the PDPM items appear on the OBRA MDS, providers will not need to submit separate MDS assessments. Please note that assessments entered on or after November 1, 2022, will require a value of 1 in the State PDPM OBRA Option Code field.

Please consult with your information technology department or software vendor for any software changes needed to accommodate this requirement.

DHCF currently uses the resource grouping utilization "RUG-IV Grouper 48 codes" to reimburse Medicaid Fee-For-Service claims. This new framework will allow DHCF to generate a side-by-side comparison between the existing RUG-IV Grouper 48 codes and the new PDPM codes concurrently to understand the variance. PDPM data will only be used for informational purposes and will not impact Medicaid reimbursement. DHCF will continue to use RUG-IV Grouper 48 to reimburse Medicaid Fee-For-Service claims.

DHCF will notify all Nursing Facility providers when the PDPM data collection changes will take effect. The notification will be shared through a Provider Transmittal.

DHCF intends to require the reporting of PDPM payment codes on the Omnibus Budget Reconciliation Act (OBRA) assessments. DHCF will require the completion and submission of specific MDS fields associated with PDPM on all stand-alone OBRA nursing home comprehensive (NC) and quarterly (NQ) assessment submissions.

These additional fields are in Sections GG (Functional Abilities and Goals), I (Active Diagnoses) and J (Health Conditions). DHCF will use the PDPM information collected on the MDS to evaluate the viability of the PDPM classification system for potential Medicaid reimbursement in the future.

Contact
DHCF will continue to provide updates to this information as appropriate. If you have questions, please contact Andrea Clark, Reimbursement Analyst, Office of Rates & Reimbursements, at Andrea.Clark@dc.gov or 202-724-4096.

Cc: DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Health Association
DC Behavioral Health Association
DC Coalition of Disability Service Providers
Medical Society of DC