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Issues

*Information and ideas for those
serving seniors.*

on Aging

MINNESOTA CASE MIX SYSTEM CHANGES FOR NURSING HOME RESIDENTS

Effective October 1, 2002, the Case Mix system which determines the daily rate for all residents of licensed, Medicaid-participating nursing homes will change. This change is intended to be budget neutral for facilities, but individual residents will notice changes in their daily rates. This will impact those residents who pay privately for nursing home care, but will not have an effect on residents whose source of payment is Minnesota Medical Assistance.

The 2000 Minnesota Legislature required that Minnesota change from the existing A through K case mix system for determining nursing home rates to a case mix system based on the federally mandated Resident Assessment Instrument (RAI). The RAI was developed in response to the 1997 Omnibus Budget Reconciliation Act of 1987 (OBRA '87) requirement that all nursing homes participating in Medicare or Medicaid use a standardized, comprehensive functional assessment system. The RAI was implemented in the fall of 1990 and is composed of two main parts: the Minimum Data Set (MDS) and the Resident Assessment Protocols (RAPs).

The MDS is a core set of screening elements that form the foundation of the comprehensive assessment. Within the MDS there are currently 18 Resident Assessment Profiles (RAPs), which are problem-oriented frameworks for organizing information. The RAPs help staff members to focus additional assessment on conditions triggered by the RAPs. The RAPs cover such domains as activities of daily living (ADL), mood state, nutritional status, and psychosocial well-being. Some RAPs are oriented toward the identification and treatment of a condition, while other RAPs focus on prevention of a problem. For example, if trunk restraints were used for an individual, the MDS item would "trigger" the RAP for decubitus ulcers, thus indicating an increased risk for the development of this problem. Following completion of the RAI, Resource Utilization Groups (RUGs) for each nursing home resident are identified. RUGs are then used to determine Medicare's prospective payment to participating nursing homes.

The 2001 Minnesota Legislature enacted legislation that established the new Minnesota Case Mix

System using the federally required MDS, submission schedule and process. The legislation also required the adoption of the RUGS-III, a 34 group model with index maximization as the classification scheme. The legislation also established facility options for short stay residents and resident notification. The legislation further described an audit function, a reconsideration process and rate conversion procedures. The legislation required that a new case mix system be implemented between July 1, 2002 and January 1, 2003; based on current plans, the new Minnesota case mix system will begin on October 1, 2002.

This new case mix classification based on RUGS-III will be required for all residents in a Medicaid certified nursing facility or boarding care home regardless of payer status. In the new RUGs-III system, only four Activities of Daily Living (ADLs) are measured. Three of these four ADLs are bed mobility, toileting and transferring. Residents may receive a score ranging from 1 to 5 in each of these three ADLs based on the following scale:

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Self-Performance	Staff Support	ADL Score
Independent	None	1
Supervision	1 person supervision	1
Limited assistance	1 person physical help	3
Extensive assistance	1 person physical help	4
Total dependence	1 person physical help	4
Extensive assistance	2 person physical help	5
Total dependence	2 person physical help	5

The eating ADL scores range from 1 to 3, depending on whether the resident is independent, needs limited or extensive assistance, is totally dependent, or receives either intravenous or tube feedings. Thus, the minimum ADL score a resident could receive is 4 and the maximum possible ADL score is 18.

In addition to the ADL score, each resident will be assigned to one of 34 calculated RUGs. Or, in Minnesota there are two additional RUGs, one for newly admitted residents with stays less than 14 days, and a penalty RUG for late completion or late submission of an assessment. Thus, each nursing home resident will have a Case Mix Score of one of these 36 RUGs. If a resident qualifies for more than one RUG, the RUG with the higher weight (and thus the higher daily rate) will prevail.

The frequency of assessments used to determine a Minnesota case mix classification are New Admission, Annual, Second Quarterly, Significant Change and Significant Correction. No Medicare Prospective Payment System (PPS) assessments are used unless combined with one of the previous assessments. Second quarterly is defined as the second quarterly assessment performed following a comprehensive assessment. Minnesota will follow the federal completion requirements as follows:

- New admission by day 14 following admission
- Annual within 366 days of previous comprehensive assessment
- Second quarterly within 92 days of the previous quarter

- Significant change by day 14 of the determination of a significant change

Minnesota will also follow the Federal OBRA submission requirements which indicate that each of these reports must be submitted within 31 days of completion. Case Mix Assessments that are completed and/or submitted more than seven days later than the federally required completion or submission dates are subject to a penalty rate. The penalty rate is the lowest case mix payment rate for the facility. The penalty is in effect from the date the assessment was due to the first day of the month following receipt in the state repository.

The federal correction policy will be used for corrections to case mix. Only significant corrections and modifications to the most current case mix assessment used for case mix classification will be considered and then only if the case mix classification is changed. Facility policies still must follow the federal correction policy and correct or modify any assessment that is in error.

Facilities will be given the opportunity to decide how a case mix classification will be determined for residents whose stay is less than 14 days and the new admission MDS is not required.

TIME FRAMES FOR MDS	Completion Date	Submission Date	Effective Date
New admission assessment	By day 14 after admit	Within 31 days of completion	Admission
Annual assessment	Within 366 days of previous assessment	Within 31 days of completion	1st day of month following date of assessment
2nd quarter assessment	Within 92 days of previous quarter	Within 31 days of completion	1st day of month following date of assessment
Significant change assessment	By day 14 of notice of significant change	Within 31 days of completion	Date of assessment
Significant correction	By day 14 of notice of error	Within 31 days of completion	Original effective date
Modification	By day 14 of notice of need to modify	Within 31 days of completion	Original effective date

NEW MINNESOTA CASE MIX CLASSIFICATIONS

CASE MIX CLASSIFICATION	TOTAL ADL SCORE	TREATMENTS OR DIAGNOSES
<u>Extensive Services</u> SE3 SE2 SE1	7-18 7-18 7-18	Intravenous (IV) therapy, suctioning, tracheostomy, Ventilator or respirator. The difference between SE1, SE2, or SE3 depends on the number of services you received.
<u>Rehabilitation</u> RAD RAC RAB RAA	17-18 14-16 10-13 4-9	Therapy (speech therapy, occupational therapy, physical therapy) alone; OR therapy and nursing rehabilitation (nursing interventions that help to attain or maintain maximum functioning).
<u>Special Care</u> SSC SSB SSA	17-18 15-16 4-14	Skin problems and treatments, tube feedings, cerebral palsy, fever, vomiting, weight loss, pneumonia, dehydration, multiple sclerosis, quadriplegia, respiratory therapy, radiation therapy.
<u>Clinically Complex</u> CC2 CC1 CB2 CB1 CA2 CA1	17-18 17-18 12-16 12-16 4-11 4-11	Tube feedings, coma, septicemia (infection in the blood stream), burns, dehydration, a limb that is paralyzed, internal bleeding, chemotherapy, dialysis, increased physician's orders and visits due to a medical problem, diabetes and injections, transfusions, oxygen therapy, foot problem and treatment. CC2, CB2, CA2 also mean you had at least three symptoms of depression, anxiety, or sad mood.
<u>Impaired Cognition</u> IB2 IB1 IA2 IA1	6-10 6-10 4-5 4-5	Problems with short-term memory, making daily decisions, and/or making yourself understood. IB2, IA2 also mean you received nursing rehabilitation for at least 6 days a week (nursing interventions that help to attain or maintain maximum functioning).
<u>Behavior Problems</u> BB2 BB1 BA2 BA1	6-10 6-10 4-5 4-5	Hallucinations, delusions, or behavior symptoms on 4 or more days, such as wandering, screaming at or hitting staff or others, disruptive behavior, resists care. ("Resists care" does not include an informed decision to refuse care. You have the right to refuse care you do not wish to receive). BB2, BA2 also mean you received nursing rehabilitation for at least 6 days a week (nursing interventions that help to attain or maintain maximum functioning).
<u>Reduced Physical Functioning</u> PE2 PE1 PD2 PD1 PC2 PC1 PB2 PB1 PA2 PA1	16-18 16-18 11-15 11-15 9-10 9-10 6-8 6-8 4-5 4-5	The treatments or diagnoses listed in the other groups do not apply here. These groups are only based on how much help you needed with ADLs – bed mobility, transferring from one position to another, eating and toilet use. PE2, PD2, PB2, PA2 also mean you received nursing rehabilitation for at least 6 days a week (nursing interventions that help to attain or maintain maximum functioning).
<u>DDF – default rate</u>		There is no requirement to complete an MDS for residents who stay in nursing homes less than 14 days. Each facility has the option to either complete the MDS for those residents or accept a "default" rate (DDF).
<u>BC1 – late</u>		If nursing home staff complete your MDS late or send it to (MDH) late, BC1 will be assigned. This is the lowest rate possible. The classification notice will take the time frame for which BC1 applies.

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Facilities will make an annual election applied to all residents with stays of less than 14 days. A facility may elect to take a default rate of 1.00 or complete a new admission assessment for residents with stays of less than 14 days. The election is effective July 1st of each year. For 2002, the election will be made prior to implementation.

Each resident or resident's representative will receive a notification letter with the resident's current case mix classification. The state will produce a state validation report that facilities will access from the MDS submission page. For facilities that select the option to produce their own notification letters, the validation report is the official classification determination made by the Minnesota Department of Health. The validation report will contain the resident name, Social Security number, assessment type, case mix classification (RUGS-III group or Default or penalty class) and the effective date.

Effective dates for case mix classifications from a case mix assessment include:

- New admissions assessment – effective date of admission

- Annual assessment – effective first day of month following the assessment reference date
- Second quarterly assessment – effective first day of month following the assessment reference date
- Significant change assessment – effective reference date
- Significant correction that changes the Case Mix classification – effective original effective date
- Modification that changes the Case Mix Classification – effective original effective date

Nursing home residents or their responsible parties must be alert to the initial and subsequent notices of new case mix classifications. With the nursing home personnel learning a new system, errors are inevitable, and private pay residents could end up paying more than necessary for their long term care. Requests for reconsideration must be made in a timely manner to be processed by the facility and/or the Quality Assurance and Review area of the Minnesota Department of Health.

References

Minnesota Department of Health, Facility and Provider Compliance Division. (2002). The New Minnesota Case Mix System – Nursing Home – Software Vendor Information. Retrieved from <http://www.health.state.mn.us/divs/fpc/profinfo/casemixvendor.html>.

Won, A., Morris, J.N., Nonemaker, S., Lipsitz, L.A. (1997). A Foundation For Excellence in Long-Term Care: The Minimum Data Set. *Annals of Long Term Care* 7(3).

ACTION BOX

If you have questions about your case mix score or have concerns or issues about the care you, your family member or your client is receiving in a Minnesota nursing home or other facility, contact Matrix AdvoCare Network at 763/560-1010 or 800/560-0961 for assistance with evaluating the quality of care and/or the assigned case mix score.

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