

IMPORTANT UPDATE ON MO HEALTH NET'S PLAN TO ADDRESS CMS' DISCONTINUATION OF SUPPORT FOR RUGS EFFECTIVE OCTOBER 1, 2023

Many facilities have reached out confused about how the state plans to move forward calculating the CMI once CMS discontinues support of RUGs on October 1, 2023. We had a conference call with MO HealthNet ("MHD") yesterday to clarify their plan and put to rest rumors and other inaccurate information that is circulating. Below are the answers to the questions/concerns we have been fielding from members:

- 1) Is MHD transitioning from RUGs to PDPM on October 1, 2023? **Answer:** NO. MHD will not transition from RUGs to PDPM on October 1. MHD is working on a plan to transition to PDPM; however, MHD is working on a timeline for how and when that transition will happen. CMS will no longer collect RUG data elements with the standard MDS data set as of October 1, 2023. At that time States can elect to use the Optional State Assessment ("OSA") to continue collecting RUG data elements. Regardless, MHD can make the January 1, 2024 rate adjustment using RUG data as that adjustment will use data through September 30, 2023. The earliest date that MHD will transition to PDPM is July 1, 2024. Once MHD has a timeline in place for Missouri's transition to PDPM we will share that timeline with you.
- 2) Will Missouri be using the Optional State Assessment ("OSA") once CMS discontinues support for RUGs on October 1, 2023? **Answer:** MHD is still considering the option to opt-in to the OSA. MHD is in the process of reviewing currently available data to determine if this is necessary. There has been some confusion regarding the state's intent to use the OSA - mainly due to an FAQ posted on the MHD website. That FAQ may need to be revised to reflect the state's decision to opt-in and use the OSA if it is decided that this is necessary. MHD will make the determination regarding whether they will opt into OSA no later than September 8, 2023.
- 3) Is there more paperwork associated with using the OSA and will MHCA provide education on how to use the OSA? **Answer:** YES. Using the OSA will require more paperwork for your MDS coordinators; however, this is the only way MHD and facilities will be able to continue to utilize RUGs to calculate each facility's CMI until the state transitions to PDPM. We will provide education sessions to help facilities better understand how to use the OSA if the state decides they are opting into OSA. We will let members know as soon as we know the state's plan.
- 4) If the state is not transitioning to PDPM on October 1, 2023, when will the state transition to PDPM and what will that model look like? **Answer:** WE DON'T KNOW. As stated above, MHD is currently working on a timeline to transition from RUGs to PDPM. We will be working closely with MHD in the coming months as they review data and work to develop a PDPM model that makes sense for the state of Missouri. As soon as we have a timeline and more information on the PDPM model MHD will use, we will share that information. However, we believe it will be several months before we have any additional information.

Please let us know if you have any additional questions or concerns. As we continue to learn more, we will update you immediately.