

FY2010 SNF PPS RUG-III Classification Case Mix Indices

09/04/2009 v1

Case Mix Indices (CMIs) used for Medicare SNF PPS RUG-III classification are being updated for FY2010. Medicare RUG classifications use the “index-maximization” method. Under this method, if a resident qualifies for more than one RUG group, the resident will be placed in the group with the highest CMI (i.e., with the highest payment rate.) For FY2010, the RUG-III payment rates lead to a different ordering of the RUG-III groups than in previous years. Because the payment rate ordering has changed, two new CMI sets have been created for use in FY2010. A set labeled C05 has been created for use by rural facilities and a second set labeled C06 has been created for use by urban facilities.

The CMI sets in use before FY2010 are C03 (rural) and C04 (urban). Comparison of the old and new rural CMI sets (C03 versus C05) indicates order changes for 6 groups. All but two of these order changes involve groups that are mutually exclusive and classification is not affected by the change in CMI. Only two groups are actually affected by the rural CMI change. Only residents of rural facilities who qualify for the Very High Rehabilitation/Extensive Services group RVL or the Medium Rehabilitation/Extensive Services group RMX and have an ADL score of exactly 15 are affected. To accommodate this change, the new rural C05 CMI set must be used in FY2010. SNF PPS Medicare days of service before October 1, 2009 should continue to be billed with RUG-III classification using the existing C03 CMI set, while days of service beginning with October 1 should be billed with RUG-III classification using the new C05 CMI set. ***The new C05 CMI set for FY2010 must be implemented in rural facilities.***

Comparison of the old and new urban CMI sets (C04 and C06) indicates order changes for 5 groups, but because these changes all involve groups that are mutually exclusive, none of these changes would lead to a different classification. Since there are no urban classification changes in FY2010, a new CMI set is not required and the existing C04 set will continue to provide correct classifications. The new CMI set C06 is being provided in case software vendors prefer to update rural and urban CMIs as a pair, but use of this CMI set is optional. SNF PPS Medicare days of service beginning with October 1, 2009 can be billed with RUG-III classification using the existing C04 CMI set or the new C06 CMI set. ***The new C06 CMI set for FY2010 is optional in urban facilities.***

Because the new (C06) and old (C04) CMI sets yield identical classification in urban facilities, the use of C06 is optional, and there are no transition issues. Transition issues do exist for rural facilities and are discussed in the next section.

Rural Facility CMI Transition

In rural facilities, SNF PPS Medicare days of service before October 1, 2009 should be billed with RUG-III classification using the old C03 CMI set. SNF PPS Medicare days

of service beginning with October 1, 2009 should be billed with RUG-III classification using the new C05 CMI set.

The MDS state systems are being updated to calculate rural facility RUG-III classification using the old C03 CMI set for all assessments with reference dates (MDS Item A3a) before October 1, 2009, and using the new C05 CMI set for all assessments with reference dates on or after October 1. If a different RUG-III classification is submitted on the MDS in the T3-Medicare Case Mix Group item (bytes 1220-1224 of the submission record), the facility will receive a warning on the Final Validation Report and the RUG-III classification calculated by the state system will be reported. Except for a transition period involving some assessments with reference dates from the later part of August through the first half of October, the MDS state system calculated RUG-III classification will be the correct classification for billing.

PPS assessments with reference date before October 1, 2009 applied to days of service on or after October 1. The MDS state system calculated RUG-III classification using the current C03 CMI set will be correct for use on or after October 1 except for some assessments with an RMX classification. Assessments that are problematic meet all of the following conditions:

- The assessment reference date (MDS Item A3a) is before October 1, 2009.
- The assessment is used to bill days of service on or after October 1, 2009.
- The obtained classification using the C03 CMI set is RMX.
- The ADL score for the assessment is exactly 15. See the RUG-III Calculation Worksheet in Chapter 6 of the RAI manual for calculation of the ADL score.
- 500 or more minutes of rehabilitation therapy are received across all three therapies (speech, occupational, and physical therapy). That is:

$$P1baB + P1bbB + P1bcB \geq 500$$

- One of the three rehabilitation therapies is received for 5 or more days. That is:

$$P1baA \geq 5 \text{ OR } P1bbA \geq 5 \text{ OR } P1bcA \geq 5$$

If all of these conditions are satisfied, then the provider should bill the RUG-III classification for days of service on or after October 1, 2009 as RVL rather than RMX.

PPS assessments with reference date on or after October 1, 2009 applied to days of service before October 1. The MDS state system calculated RUG-III classification using the new C05 CMI set will be the correct for use before October 1 except for some assessments with an RVL classification. Assessments that are problematic meet all of the following conditions:

- The assessment reference date (MDS Item A3a) is on or after October 1, 2009.
- The assessment is used to bill days of service before October 1, 2009.
- The obtained classification using the C05 CMI set is RVL.
- The ADL score for the assessment is exactly 15. See the RUG-III Calculation Worksheet in Chapter 6 of the RAI manual for calculation of the ADL score.

If all of these conditions are satisfied, then the provider should bill the RUG-III classification for days of service before October 1, 2009 as RMX rather than RVL.