Kansas Nursing Home Reimbursement PDPM-OSA Discussion

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PDPM-OSA Discussion

Current Circumstances

- CMS Ends RUG Support Nationwide 09/30/2023

- New Plan Needed Beginning with 07/01/2024 Rates

- Options

  - Move to PDPM with 07/01/2024 rates

  - Use OSA to Continue RUG through 06/30/2026

  - Even with OSA must move to PDPM 07/01/2026

  - State must notify CMS on OSA option by 10/01/2023

PDPM-OSA Discussion

Concerns About Moving to PDPM

Financial Impact to State:

- Average Medicaid CMI will be closer to Overall Average CMI

- Some State estimates show a 5%-7% increase in expenditures

Impact to Providers:

- Uncertainty about acuity measures, some up & some down

- Potential for greater variability in rates

PDPM-OSA Discussion

Data Availability is the Issue

- Under the current plan Kansas has to change to PDPM 07/01/2024

Kansas Nursing Facility Rate Setting Data Summary without Using OSA

Rate Period			Base Data Period			Acuity Adjstmnt Data Period		Case Mix System
Eff Date		Thru Date	Year 1	Year 2	Year 3	MDCD CMI Listing Dates		
07/01/23	to	12/31/23	2020	2021	2022	01/01/23	04/01/23	RUG
01/01/24	to	06/30/24	2020	2021	2022	07/01/23	10/01/23	RUG
07/01/24	to	12/31/24	2021	2022	2023	01/01/24	04/01/24	PDPM
01/01/25	to	06/30/25	2021	2022	2023	07/01/24	10/01/24	PDPM
07/01/25	to	12/31/25	2022	2023	2024	01/01/25	04/01/25	PDPM
01/01/26	to	06/30/26	2022	2023	2024	07/01/25	10/01/25	PDPM
07/01/26	to	12/31/26	2023	2024	2025	01/01/26	04/01/26	PDPM
01/01/27	to	06/30/27	2023	2024	2025	07/01/26	10/01/26	PDPM

Key: RUG only | RUG or PDPM | PDPM only | RUG or PDPM | PDPM only

PDPM-OSA Discussion

Data Availability is the Issue

- Implementing the OSA could delay PDPM to 07/01/2026

Kansas Nursing Facility Rate Setting Data Summary Using OSA

Rate Period			Base Data Period			Acuity Adjstmnt Data Period		Case Mix
Eff Date		Thru Date	Year 1	Year 2	Year 3	MDCD CMI Listing Dates		System
07/01/23	to	12/31/23	2020	2021	2022	01/01/23	04/01/23	RUG
01/01/24	to	06/30/24	2020	2021	2022	07/01/23	10/01/23	RUG
07/01/24	to	12/31/24	2021	2022	2023	01/01/24	04/01/24	RUG or PDPM
01/01/25	to	06/30/25	2021	2022	2023	07/01/24	10/01/24	RUG or PDPM
07/01/25	to	12/31/25	2022	2023	2024	01/01/25	04/01/25	RUG or PDPM
01/01/26	to	06/30/26	2022	2023	2024	07/01/25	10/01/25	RUG or PDPM
07/01/26	to	12/31/26	2023	2024	2025	01/01/26	04/01/26	PDPM
01/01/27	to	06/30/27	2023	2024	2025	07/01/26	10/01/26	PDPM

Key	RUG only	RUG or PDPM	PDPM only	RUG or PDPM	PDPM only

PDPM-OSA Discussion

Pros/Cons of Using Optional State Assessments

Pros:

- Extends RUG data period

- Provides for more options

Cons:

- Increases administrative burden

- Delays PDPM

PDPM-OSA Discussion

Decision Points:

- Is the added administrative burden of implementing Optional State Assessments too great?

- Is it better to transition to PDPM on 07/01/2024?