



**STATE OF WASHINGTON**  
**DEPARTMENT OF SOCIAL AND HEALTH SERVICES**  
***Aging and Long-Term Support Administration***  
*PO Box 45600, Olympia, WA 98504-5600*

September 27, 2016

**AL TSA: NH #2016-031**  
**UPDATE REGARDING RESOURCE UTILIZATION GROUP:**  
**REDUCTION FOR MEDICAID RESIDENTS IN THE LOW ACUITY RUG GROUPS**

Dear Nursing Home Administrator:

[AL TSA NH #2016-12](#) was issued on May 17, 2016 detailing a reduction for Medicaid residents in the PA1-PC1 Resource Utilization Groups (RUGs). Since the issuance of [AL TSA NH #2016-12](#), changes have been made to the requirements.

On June 30, 2016, a decision was made to exclude residents in the PC1 group and those in the PA1-PB2 groups with specific behaviors identified by the Minimum Data Set (MDS) from the penalty associated with the budget proviso. The behaviors excluded from the penalty for the PA1-PB2 groups are defined as a response coded greater than zero in any of the following MDS fields (0=Behavior not exhibited):

- E0100A Behavior: Hallucinations Code
- E0100B Behavior: Delusion Code
- E0200A Behavior: Physical Behavioral Code
- E0200B Behavior: Verbal Behavioral Code
- E0200C Behavior: Other Behavioral Code
- E0800 Rejection of Care: Presence and Frequency
- E0900 Wandering: Presence and Frequency

**Referral and Tracking Requirements**

- 1) The requirement to assist 96 individuals to relocate to the community has not changed. Nursing facilities will follow the referral process in the [NH Provider Billing Guide](#).
  - a. Within 30 days of identifying a resident as being in the PA1, PA2, PB1, PB2 or PC1 RUG categories, the provider must submit an Intake and Referral form to DSHS ([Form 10-57](#)).
  - b. Priority should be given to the PA1-PB2 groups and those who have expressed interest in relocation from the PC1 group. After those referrals have been made, the remainder of the PC1 group should be referred, ensuring that all residents within the PA1-PC1 RUG categories are referred to DSHS.
  - c. For new admissions, submit the request for NF Level of Care (NFLOC) through Intake as usual. If a resident's RUG category has not been determined prior to the request for NFLOC, please mark "NA" on the Intake form and submit it in a timely way so the payment start date is not delayed. Once the RUG score is available, update the Intake and Referral form and resubmit it if the resident is assessed to be in one of the targeted RUG Levels (PA1-PC1).

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- d. If you know a resident is interested in discharge and you know the desired setting, check the appropriate category in Section 5 of the Intake and Referral form. Otherwise leave it blank.
- e. Repeat referrals are not required for ongoing reassessments. However, any time a resident is reassessed and is newly grouped into a PA1 – PC1 category, the Department must be notified by submitting an Intake and Referral form to HCS.

### **Case Mix Scores Downward Adjustments Exceptions**

The Department has implemented an exception policy to preclude downward adjustments to a resident's case mix score under certain conditions:

- 1) There will be no downward adjustments in case mix scores for the PC1 group.
- 2) There will be no downward adjustments in case mix scores for those residents assessed as PA1, PA2, PB1 and PB2 who have qualifying behaviors identified in the MDS assessment.
- 3) DSHS has evaluated the budget and determined no exclusions can be offered for those residents who choose to stay or those for whom a community setting could not be located. If we are unable to meet budgetary requirements, it will become necessary for the Department to reevaluate the viability of continuing to offer existing exceptions (PC1 and PA1-PB2 with behaviors).

A training presentation was emailed to many NH staff and administrators in July. It has since been updated with current information and is available at <https://www.dshs.wa.gov/altsa/residential-care-services/information-nursing-home-professionals> under "Low Acuity Budget Proviso Updates".

ALTSA believes in and supports client choice in regard to where an eligible individual chooses to live and receive services. ALTSA will inform any individual who desires to know about alternatives to nursing home care of the options and services available in assisted living facilities, adult family homes and in-home. The referral process should be followed for all residents indicating a desire to know more about their options for care, regardless of RUG or behavior score.

If you have questions and/or need additional information, please contact Debbie Blackner, Systems Change Specialist, at [benned@dshs.wa.gov](mailto:benned@dshs.wa.gov) or (360) 725-2557 or your provider association.

Sincerely,

Bill Moss, Assistant Secretary  
Aging and Long Term Support Administration



Candy Goehring, Director  
Residential Care Services

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