



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

May 17, 2016

ALTA: NH #2016-012
RESOURCE UTILIZATION GROUP:
REDUCTION FOR MEDICAID RESIDENTS IN THE PA1-PC1 RUG GROUPS

Dear Nursing Facility/Home Administrator:

Case Mix is used to describe differences in residents in terms of their clinical characteristics and the resources that are needed for their care. Resource utilization group (RUG) scores are used in the calculation of payment for the facility as determined by the quarterly Minimum Data Set (MDS) assessment. In 2011, the WA State Legislature revised [RCW 74.46.485](#) giving the Department the authority to reduce the 10 lowest RUG groupings to aid in achieving cost-effective care.

[SHB1274](#), passed during the 2015 Legislative session, created changes to nursing facility rates and continued the reductions to the lowest 10 RUG groupings. The 2016 legislative session budget includes a budget proviso that exempts the five higher of the lowest ten RUG groups from the adjustment in rate. To make this change budget neutral, DSHS, in collaboration with nursing facilities must assist at least 96 individuals in the lowest five RUG groupings (PA1-PC1) that are interested in relocating to community settings to do so.

Beginning July 1, 2016, nursing facilities must notify their local Home and Community Services (HCS) office within 30 days of a Medicaid resident being identified as being in one of the five lowest RUG groups. The Home and Community Services (HCS) office will work with the nursing facility to identify an alternative setting for those who want to move to the community within 30 days of performing an assessment. After two quarters, DSHS will determine if sufficient progress has been made to assist 96 low acuity nursing facility residents preferring relocation to community based settings.

Some nursing facilities may have started making referrals to the local HCS office through the standard Intake process. Until a tracking process is finalized between DSHS, WHCA and LeadingAge, you may receive telephone calls requesting the RUG score of residents whom you have referred. Recently, "RUG Score" was added to the [Intake Form](#) (DSHS Form 10-570). More information will be forthcoming regarding the process for both nursing facilities and HCS to track the requirements of the proviso.

Please note that per WAC [388-106-0355](#), nursing facility level of care (NFLOC) has not changed. Individuals who meet nursing facility level of care are able to choose among available Medicaid settings which include nursing facilities, assisted living facilities, adult family homes and in-home. Residents who meet NFLOC who are in these RUG groups should not be issued 30-day letters. Residents in these RUG groups may choose to remain in the nursing facility and are afforded all resident rights.

If you have any questions, please feel free to contact Amy Abbott, NH Policy Manager, at amy.abbott@dshs.wa.gov or (360) 725-2581.

Sincerely,

Candace Goehring, Director
Residential Care Services

"Transforming Lives"