


GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Senior Deputy Director/Medicaid Director

Transmittal # 17-33

TO: All D.C. Medicaid Nursing Facility Providers

FROM: Claudia Schlosberg, J.D. 
Senior Deputy Director and State Medicaid Director

DATE: December 20, 2017

SUBJECT: **Notification to Nursing Facilities Transitioning from RUG-III to RUG-IV**

The purpose of this transmittal is to inform nursing facility providers located in the District of Columbia that effective February 1, 2018, the Department of Health Care Finance (DHCF) will use Resource Utilization Groups (RUG-IV) Grouper 48 to reimburse providers price-based rates and pay nursing facility claims with dates of service beginning February 1, 2018. This change is being made to conform to the new reimbursement methodology that is incorporated into a State Plan Amendment (SPA) that is pending approval with the Centers for Medicare and Medicaid Services (CMS). CMS likely will not approve this SPA prior to the effective date, thus we are instructing providers to make changes now to ensure our ability to reprocess your claims retroactively. DHCF intends to reprocess claims no later than forty-five days (45) after SPA approval.

The update from RUG III to RUG – IV is to coincide with the calculation of the new rates and reimbursement methodology. Nursing facility claims will be paid according to the date of service on the claim. Nursing Facilities will need to contact their Minimum Data Set (MDS) software vendor to configure their facility's software to collect RUG-IV Grouper in compliance with DHCF requirements. We strongly urge nursing facilities to initiate this process now so that your systems will support the new rate methodology beginning February 1, 2018.

Below are the specifications for vendors to use for this requirement:

MDS records for Medicaid residents should be processed using the RUG - IV grouper:

- 48 group version, CMI set F01
- Index maximizing setting

Claims submission

- The following revenue codes will require a valid HIPPS code on the line:
 - 0101
 - 0183

- 0185
- 0659 (for patients in hospice care)
- The HIPPS code must be entered in the line level procedure code field
- Paper UB04- Field locator 44
- 837I transaction- data element SV202
- WINASAP - In the procedure code field on the third tab of the institutional claim
- DC Web Portal - the procedure code field next to the revenue code field on the institutional claim line level.
- The HIPPS code must contain a valid Medicaid RUG - IV code (48 group version of RUGIV)
- The HIPPS code must reflect the RUG - IV code from the most recent MDS assessment for the resident that was completed before the last date of service on the claim. For many residents, for the initial billing period, this will be an assessment done prior to February 1, 2018.
- The following revenue codes will now be valid on nursing facility claims. No HIPPS code is required, but a prior authorization number is required at the claim header level.
 - 0410 (for vent care) - billable at \$380/day
 - 0229 (for bariatric care) - billable at \$39/day
 - 0919 (for behaviorally complex care)- billable at \$82/day
- The prior authorization number must be recorded on the claim:
 - Paper UB04 - Field locator 63, line A
 - 837I transaction – Loop 2300, data element REF02 (REF01 should contain the value G1, to indicate that REF02 is a PA #)
 - WINASAP – first tab of the claim record, in the field labeled “prior authorization #”.
 - DC Web Portal – in the field labeled “Treatment Authorization Code” on the “Claim Information” section. This is the same section where the medical record # and service dates are entered.

If you have questions, please contact Andrea Clark, Reimbursement Analyst, Office of Rates, Reimbursement and Financial Analysis (ORRFA), Department of Health Care Finance (DHCF) on (202) 724-4096.

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Medical Society of the District of Columbia
DC Hospital Association
DC Primary Care Association
DC Health Care Association
DC Home Care Association
DC Behavioral Health Association

DC Coalition of Disability Service Providers