



# STATE OF NEW YORK DEPARTMENT OF HEALTH

Corning Tower The Governor Nelson A. Rockefeller Empire State Plaza Albany, New York 12237

Richard F. Daines, M.D.  
Commissioner

James W. Clyne, Jr.  
Executive Deputy Commissioner

SEP 08 2009

RE: July 29, 2009 Census Roster Upload

Dear Administrator:

The purpose of this letter is to remind you of the Department's policy and procedures to obtain and process the required Minimum Data Set (MDS) data to calculate nursing facility Medicaid reimbursement and to provide you with information required to upload your July 29, 2009 census roster data. The attached policy and procedures were developed in collaboration with the Nursing Home Reimbursement Workgroup. The Workgroup was established by statute and includes members of the Department and Provider Associations.

As you know, beginning in 2009 a new case mix reimbursement system for residential health care facilities was implemented. Medicaid rates are subject to case mix adjustments through application of the relative resource utilization groups system of patient classification (RUG-III) employed by the Federal Government for payments to skilled nursing facilities pursuant to Title XVIII of the Federal Social Security Act (Medicare). The reimbursement system employs the MDS 2.0 or subsequent revisions as approved by The Centers for Medicare and Medicaid Services (CMS). The reimbursement system also employs the 53 Group RUG-III Classification System model version 5.20.

In a Dear Administrator Letter dated April 4, 2008, posted on the Health Provider Network, you were notified of changes being made to Section S of the MDS. CMS allows each state to collect information of specific interest in Section S. New York State requested that three new items of information be added to Section S that identify residents eligible for specialty unit/facility Medicaid reimbursement, identify residents eligible for enhanced Medicaid rate reimbursement add-ons for specific conditions, and identify the primary payor. This information is required to be available from MDS assessments effective October 1, 2008 for Medicaid reimbursement purposes beginning in 2009.

If you have any questions about the implementation of RUGS-III using the MDS for Medicaid reimbursement please contact the Resident Assessment Unit in the Bureau of Long Term Care Reimbursement at (518) 473-8910 or email [PRIMail@health.state.ny.us](mailto:PRIMail@health.state.ny.us). If you have any questions on completing the MDS assessment document, including Section S, please call the MDS Helpline at (518) 408-1658.

Sincerely,

Lana I. Earle  
Director

Bureau of Long Term Care Reimbursement

**New York State Department of Health Policy and Procedure for  
Processing the Minimum Data Set (MDS) Assessment Data for  
Medicaid Rate Setting Purposes (Revised 9/1/09)**

- Starting in 2009 statute requires MDS case-mix adjustments for January and July of each calendar year. The Department of Health (the Department) will send a Dear Administrator Letter (DAL) notifying all facilities that they must send the Department, through the Health Provider Network (HPN), a listing of all residents in their facility on designated dates in January and July (census dates). The DAL notification will be sent in the last quarter of the preceding calendar year with the subsequent January and July designated census dates. **The census dates for 2009 are January 28<sup>th</sup> and July 29<sup>th</sup> both are a *midnight census*.**
- Using software developed by the Department facilities will compile and report the following resident identifying data for each resident in the facility as of the midnight census date:
  - Operating Certificate Number
  - Facility Identification Number
  - Social Security Number
  - Last Name
  - First Name
  - Date of Birth
  - Gender
  - Medical Record Number
- **July 29, 2009 Census Roster Data Upload Period:**
  - ❖ **Facilities will upload their July 29<sup>th</sup> census roster data, using the software developed by the Department, over the HPN during the weeks of October 5 through October 16, 2009.**
- Immediately prior to facilities uploading their census roster data the Department will create a statewide “frozen” MDS rate setting database with a one-time extraction from the federal /state MDS database. The Department will use this statewide frozen MDS rate setting database as the source to match MDSs for each resident reported on the facilities’ submitted census roster. The Department will match to MDSs with assessment reference dates (ARDs) most proximate to, but no later than 13 days after the census date. With the timing enumerated in this process, facilities will have had approximately thirty (30) days to make corrections to submitted MDSs prior to the Department creating the statewide frozen MDS rate setting database. For this reason, and because the Department must lock into a statewide database of MDSs for rate setting purposes, any additional corrections to MDSs submitted by facilities to the federal /state database after the Department has created the statewide frozen rate setting database will not be available for Medicaid rate setting purposes. **Please be**

aware that this is the only extraction that will be made from the Federal/State database for matching to the July 29, 2009 census roster data. Facilities are reminded that they are required to timely submit MDS data to the Federal/State database in accordance with the requirements established by The Centers for Medicare and Medicaid Services (CMS).

- Upon successful completion of the roster upload process on the HPN, the Department will match the census roster data against the statewide frozen MDS rate setting database. Facilities will receive an acknowledgement, during the same HPN upload session, that will include the submitted census roster data identifying the matched and not matched (if any) residents. For the matched residents the following additional information will be included from matched MDSs culled from the statewide frozen MDS rate setting database:
  - The ARD of the matched MDS culled from the statewide frozen MDS rate setting database.
  - The reported facility responses to Section S items S5 (Specialty), S6 (Enhanced Reimbursement), and S7 (Payor) for each matched MDS.
  - The RUG-III group of each matched MDS using New York weights.

At this time, if any of the reported Section S information for items S5, S6, or S7 is not correct the facility will have a final opportunity to make corrections as appropriate. **In addition an email notification, similar to the notification used when Patient Review Instrument data was filed, has been added to the MDS system. After the MDS census roster data is successfully uploaded to the HPN a notice will be generated and sent electronically to the email address attached to the HPN account uploading the census roster data. Please ensure that all email addresses associated with the HPN accounts at your facility are correct, it is the facility's responsibility to update/correct all email addresses.**

- All corrections to Section S items must be in accordance with the MDS instructions as of the ARD of the corrected MDS. This is an opportunity to correct Section S items due to a facility obtaining more accurate information for the ARD of the MDS as filed. This is not an "update" to Section S items based on changes subsequent to the ARD. In addition, through edits the Department software will identify instances in which the facility failed to complete any of Section S questions S5, S6, and S7. The edits will identify instances where the facility failed to provide a valid response to the question per the instructions. For facilities with approved specialty units the edits will identify instances where no residents were reported for the specialty unit or identify instances where the number of residents reported for the specialty unit exceeds the approved specialty unit bed size.

- The Department recognizes that not all MDS submissions (particularly quarterly submissions) contain answers to the Dementia or Alzheimer's questions covered in Section I (Disease Diagnosis) of the MDS. The Department has added a drop-down box to the HPN which will allow providers to identify those residents who should be captured under the dementia / Alzheimer's qualifier to ensure that these residents are identified for rate setting purposes. Please note that this applies only to those MDS submissions where Section I was not required on the original submission. Any responses included in this section are subject to review.
- In instances where the Department could not match an MDS from the statewide frozen MDS rate setting database with the information provide on the census roster data the facility must correct the census roster data for "re-upload" of the entire census roster. Once all census roster data is completed and all resident MDS data has been matched the facility operator or appropriate responsible individual must complete and submit the MDS Census Roster Certification available on the HPN. The final certified census roster will identify the specific resident MDSs that will be used for rate setting purposes and is provided so that facilities will know which medical records should be retained to support the selected MDSs, until such time as the Department has notified the facility that the MDs are not subject to audit. The Department will not send facilities the associated MDSs, as facilities should have them on file.
- In instances where a facility reported a resident as being on its census but did not submit an MDS, the Department will follow the federal Medicare policy of defaulting the resident to the lowest RUG III case mix index group. **Facilities are again reminded that they are required to timely submit MDS data to the Federal/State database in accordance with the requirements established by The Centers for Medicare and Medicaid Services (CMS).**
- Culled MDSs will be used for rate setting prior to audit. All audit results will be implemented retroactively.
- The Department is in the process of developing MDS audit protocols and procedures. Additional information on MDS audit protocols and procedures will be provided under separate cover prior to the implementation of the MDS audit system.
- The Department defers to the Federal Government with respect to training and certification requirements for persons completing the MDS. There will be no new requirements for MDS training or certification imposed as a result of MDSs being used for Medicaid rate setting purposes. Existing training has been modified, however, to incorporate instructions on the new Section S fields.