



# Updating State Laws Related to Nursing Home and Boarding Care Home Resident Reimbursement Classifications

## Description

This proposal updates Minnesota Statutes 144.0724 pertaining to the reimbursement system for nursing home and boarding care residents. It deletes references to outdated payment classifications, makes conforming modifications to federal guidelines, clarifies certain requirements, and combines certain audit types.

## Background

Minnesota Statutes 144.0724 and 256B.438 establish resident reimbursement (both medical assistance and private pay) classifications based on the health assessments of residents in federally certified nursing and boarding care homes. The system is called a “case-mix classification system.”

Currently, Minnesota nursing homes and boarding care homes are reimbursed based on each resident’s classification into one of 48 Resource Utilization Groups (RUGs). Each of the 48 RUGs represents different levels of care. Each facility conducts an assessment of every resident using a required federal assessment tool called the Minimum Data Set (MDS).

The federal Centers for Medicare and Medicaid Services (CMS) developed an updated version of RUGs called RUG-IV. Minnesota began using this version on January 1, 2012. From October 2002

through December 2011 the RUGs version was called RUG-III.

Current law authorizes MDH to perform three types of audits of case mix assessments in a facility. These audit types are called Pool, Targeted and Special. The Targeted and Special categories are seldom used.

## Proposal

The proposal makes four technical changes:

- Updates state statute to delete references to RUG-III, which is no longer used;
- Modifies current language to conform to current CMS guidelines. This includes deleting unnecessary language provided for in federal guidelines;
- Clarifies that a facility may not charge a resident or resident representative a fee for copies of documentation required to submit a request for reconsideration to MDH. Also adds language that allows the Commissioner of Health to request missing information from facilities before denying a facility-initiated request for reconsideration if not all information is provided with the original request.
- To simplify the audit process, the Targeted and Special audit categories are combined into a single category called Special audit.

### For More Information:

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