



INFORMATIONAL LETTER NO. 2556-MC-FFS

DATE: February 9, 2024

TO: Iowa Medicaid Nursing Facilities (NF), Nursing Facilities for the Mentally Ill (NFMII), Skilled Nursing Facilities (SNF)

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: Quarter 2 of 2023 Case Mix Index Calculations

EFFECTIVE: January 18, 2024

As noted in [informational letter \(IL\) 2442-MC-FFS¹](#), Iowa Medicaid will replace resource utilization groups (RUG)-III with patient driven payment model (PDPM) for case mix for rates effective July 1, 2024. Minimum data set (MDS) assessments with target dates of July 1, 2023, and after, will use the PDPM nursing component for reimbursement calculations.

Case mix rosters for the second quarter of calendar year (CY) 2023 will continue to use RUG-III case mix indices (CMI). A CMI is used to determine a daily weight for each day the resident resides in the facility throughout the quarter. To determine the CMI, the department may review the first 13 days of the following quarter to see if an MDS is present to assign a CMI.

Due to the state transitioning from RUG-III to PDPM on July 1, 2023, case mix rosters for Quarter three of CY2023 will not have a RUG-III CMI for 13 days into the next quarter. As a result, if a resident has a new entry (AI700=I) tracking form with an entry date (AI600) between June 18, 2023 and June 30, 2023, that has not been followed by any other assessment through June 30, 2023, a default CMI of 0.59 will be assigned.

Please refer to slide 20 on the [Day Weighted Case Mix Training PowerPoint²](#), which is available on HHS' [Nursing Facility Rates webpage³](#), for more information. If you have any questions, please contact Iowa Medicaid at casemix@dhs.state.ia.us.

¹ <https://secureapp.dhs.state.ia.us/IMPA/Information/Bulletins.aspx>

² <https://hhs.iowa.gov/media/3038/download?inline=>

³ <https://hhs.iowa.gov/programs/welcome-iowa-medicaid/iowa-health-link/nursing-facility-rates>