



Case Mix Transition Timeline Review

Nursing Facility Case Mix & Rebase Study & Implementation

2021 Legislative Session

The legislature required HHS to conduct a study with a workgroup to make technical recommendations to CMI and rebasing process. Report due Dec 2021.

Summer/Fall 2021

Workgroup met 4 times to discuss CMI and rebasing process and make recommendations that would enhance process and reduce retroactivity

December 2021

Report submitted to legislature recommending transition to day-weighted semi-annual weights effective July 1, 2023.

March 2022

With legislative support of recommendations, HHS held training to alert providers of the planned transition and monthly training opportunities through 2022. Start dates for the 7/1/23 day-weighted CMI data will be July 1, 2022.

March 2022-January 2023

Training on methodology, how to use roster, and payment calculation guidelines occurred monthly. 2022 Q3 & Q4: received Case Mix Sheets comparing current methodology with new day-weighted.

*Recognized Transition to PDPM would be required but anticipated 7/1/25 implementation so tabled issue for later time period



July 1, 2023 Implementation

- Semi-annual day-weighted rates implemented concurrently with July 1, 2023 rebase.
 - July 1 Rates: Utilize day-weighted average CMI from July 1-Dec 31 the previous year (exp 7/1/23 rates use data from 7/1/22-12/31/22)
 - January 1 Rates: Utilize day-weighted average CMI from January 1-June 30 the previous year. (exp. 1/1/24 Rates use data from 7/1/23-6/30/23)
- Also, began collection of data for PDPM CMI Calculations for 7/1/24, as announced in April 2023. (See next slide)



PDPM Transition Update Review (Discussion actually started in in 2018)

Note from January 23-present, IME has also worked on redesign and implementation of QAAF and implementation of 7/1/23 rebase.

March 2022

IME reviewing possible rate calculations for PDPM to ensure budget-neutral. Had concerns regarding CMS' downward rate adjustments post implementation of PDPM. (Target 7/1/25)

July 2022

IME researching and will develop an implementation and timeline plan for conversion from RUGs-III to PDPM for CMI calculation.

October 2022

Planning stages for budget-neutral PDPM

January 2023

Due to CMS' announcement of removal of the OSA and section G and no support for RUGS 10/1/23, IME anticipates implementation of PDPM 7/1/24. May require an additional rebase.

April 2023

IME issues [IL-2442-MC-FFS](#) outlining transition to PDPM effective 7/1/24. MDS with target day on or after 7/1/23 will use PDPM nursing component for 7/1/24 PDPM CMI rates. OSA discontinued effective 7/1/23

October 2023

IME proposes budget-neutral rebase for July 1, 2024 with 2023 cost report data. IME reviewed several options for transition and rebase is the most cost-effective method (based on costs for vendors to transition the CMI calculations to PDPM) and least burdensome for providers. Request made to provide side-by-side comparison on the case-mix rosters of the RUG-III category and the PDPM nursing component category. Agreeable but no details of how/when this will occur. (*Concerns raised by stakeholder on rebase without ample notice.)

January 2024

Requests made again for comparisons for providers and education. Detail not yet available. Stakeholder advocates for CMI freeze 7/1/24 until 7/1/25 to phase-in implementation of PDPM to prevent implementation of unknown impact and avoid a budget-neutral, off-year rebase.

MDS Data Issues

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Due to unanticipated need to renew data use agreement with CMS in fall 2023, state's ability to download MDS data delayed.

- **First PDPM rosters (7/1/23-9/30/23) will be available in late March; should have been in Jan**
- **Second PDPM roster (10/1/23-12/31/23) will be in May; should have been in April.**

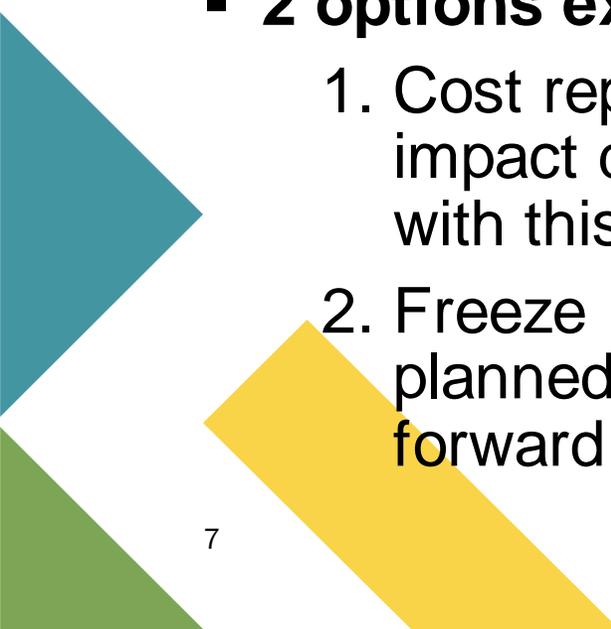
Member Feedback Requested

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- Opinions on implementation of PDPM CMI methodology without much, if any, advance knowledge of impact/methodology?
- Opinions on alternatively freezing CMI to avoid unknown impact? (Note--continuing old methodology is not an option due to CMS)
- Opinions on off-year budget-neutral rebase if implement PDPM CMI rates 7/1/24?

Path Forward

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- **Need 2024 legislative change away from RUGS because RUGS required in statute and rule; no RUGS data available effective 7/1/23 (which is the data used for 7/1/24 rates).**
 - **2 options exist for PDPM Transition:**
 1. Cost reports with PDPM effective 7/1/24 with little or no impact data in advance (state recommends 2024 rebase with this option), OR
 2. Freeze 1/1/24 rates until 7/1/25 and fully implement with planned rebase. Provide data on PDPM CMI from 7/1/24 forward so providers can see and plan for impact.
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