



Ohio Administrative Code

Rule 5160-3-43.2 Resource utilization groups, version III (RUG III): the nursing facility case mix payment system.

Effective: March 1, 2016

The Ohio department of medicaid (ODM) shall pay each eligible NF a per resident per day rate for direct care costs established prospectively for each facility. The department shall establish each facility's rate for direct care costs semiannually. Each facility's rate for direct care costs shall be based on a case mix payment system.

(A) The Ohio medicaid case mix payment system for direct care contains the following core components:

(1) As set forth in rule 5160-3-43.1 of the Administrative Code, a uniform resident assessment instrument (minimum data set version 3.0 (MDS 3.0)), that provides the data used to group residents into case mix categories. The MDS 3.0 includes section S. Information regarding section S is available on the ODM website at <http://medicaid.ohio.gov/PROVIDERS/ProviderTypes/LongTermCareFacilities.aspx>.

(2) A methodology for grouping residents into case mix groups in a way that is clinically meaningful and uses criteria that sufficiently differentiates one group from another, as provided in paragraphs (B) to (E) of this rule.

(3) A means of measuring the relative costliness of caring for residents in one group versus another, known as "relative resource weights," as described in paragraph (D) of this rule.

(B) The Ohio case mix payment system shall use the following methodologies for grouping residents:

(1) For rates paid for services provided before July 1, 2016, resource utilization groups version III (RUG III) classification system. The RUG III major categories listed in paragraph (C) of rule this rule are listed in descending order of hierarchy. Based on the items in the MDS 3.0, if a resident meets the criteria for placement in more than one group, the resident will be placed in a group within



the highest major category of resident types according to the hierarchy unless the activities of daily living (ADL) index score is not met for placement within the highest major category of resident types.

(2) For rates paid for services provided July 1, 2016 and thereafter, resource utilization groups version IV (RUG IV) classification system. The RUG IV major categories listed in paragraph (C) of this rule are listed in descending order of hierarchy. Based on the items in the MDS 3.0, if a resident meets the criteria for placement in more than one group, the resident will be placed in a group according to the hierarchy.

(3) ODM will use the forty-five grouper model with the RUG III methodology.

(4) ODM will use one of the following grouper models with the RUG IV methodology:

(a) Forty-eight grouper model.

(b) Fifty-seven grouper model.

(c) Sixty-six grouper model.

(C) The hierarchy of RUG major categories in descending order is as follows:

(1) RUG III using the forty-five grouper model:

(a) Extensive services.

(b) Special rehabilitation.

(c) Special care.

(d) Clinically complex.

(e) Impaired cognition.



(f) Behavior problems.

(g) Reduced physical function.

(2) RUG IV using the forty-eight, fifty-seven, or sixty-six grouper model:

(a) Rehabilitation plus extensive services (sixty-six grouper model only).

(b) Rehabilitation.

(c) Extensive services.

(d) Special care high.

(e) Special care low.

(f) Clinically complex.

(g) Behavioral symptoms and cognitive performance.

(h) Reduced physical function.

(D) All MDS 3.0 data elements related to the RUG classification system must be completed before a resident can be classified. Residents whose MDS 3.0 forms contain missing or out-of-range responses to data elements used to determine the RUG classification shall be assigned to the default group. Corrections to MDS 3.0 data may be made only as described in paragraph (D) of rule 5160-3-43.1 of the Administrative Code.

(E) Each of the RUG groups is assigned a relative resource weight. This weight indicates the relative amount of staff time required on average for workers in the registered nurse (RN), licensed practical nurse (LPN), and nurse aide (NA) worker classifications to deliver care to residents in that RUG group.



(1) The relative resource weights are calculated as follows using the average minutes per worker classification per RUG group provided by the United States department of health and human services (HHS), and the most recent available three-year averages of RN, LPN, and NA wages in Ohio medicaid certified NFs as reported in annual medicaid cost reports submitted by providers to ODM pursuant to section 5165.10 of the Revised Code.

(a) By setting the NA wage weight at one, wage weights for RNs and LPNs are calculated by dividing the NA wage into the RN or LPN wage.

(b) To calculate the total weighted minutes for each RUG group, the wage weight for each worker classification is multiplied by the average number of minutes that classification of workers spends caring for a resident in the RUG group, and then the products for each RUG group are summed.

(c) Relative resource weights are calculated by dividing the lowest group's total weighted minutes into each group's total weighted minutes. Weight calculations are rounded to the fourth decimal place. The RUG group with the lowest total weighted minutes receives a relative resource weight of one.

(2) The lowest weight for the RUG groups is used as the weight for the default group.

(3) Relative resource weights are set forth on the ODM website at <http://medicaid.ohio.gov/PROVIDERS/ProviderTypes/LongTermCareFacilities.aspx>.