

RAI Spotlight



MDS 3.0 RAI Manual - What's New

August 15, 2025 - UPDATED: Final MDS 3.0 Item Sets version 1.20.1v3

The final Minimum Data Set (MDS) 3.0 Item Sets version (v)1.20.1v3 and Item Matrix v1.20.1v3 are now available in the **Downloads** section on the [Minimum Data Set \(MDS\) 3.0](#)

[Resident Assessment Instrument \(RAI\) Manual](#) page.

This final version of the MDS v1.20.1 item sets (v3) will go into effect October 1, 2025, and includes policies finalized in the FY2026 SNF PPS Final Rule.

Kiera Price
RAI Coordinator
qa-mds@pa.gov

Volume 20, Issue 1
August 2025

Changing MA Case-Mix to PDPM

On October 12, 2024, the Department of Human Services (Department), Office of Long -Term Living published a notice of proposed rulemaking in the Pennsylvania Bulletin announcing the Department's proposal to amend a data element in the Department's case-mix payment system for nonpublic and county nursing facilities to utilize the Patient Driven Payment Model (PDPM) in place of the RUG-III classification system in setting Medical

Assistance (MA) payment rates for nursing facilities. This regulation was approved on June 26, 2025 and was published in the Pennsylvania Bulletin (Volume 55 Issue 31) on 08/02/25. The regulation can be found at: [Pennsylvania Bulletin](#).

The Department had previously sent a Listserv telling nursing facilities that they will be able to stop using the OSA on August 2, 2025, based on the proposed regulations.

To further clarify, this means that nursing facilities would not need to submit the OSA beginning August 2, 2025, and going forward from that date if the MDS assessment did not affect the 8/1/2025 Picture Date CMI. If the MDS assessment affects the 8/1/2025 Picture Date, the OSA may still be required for that MDS assessment even if it is after 8/2/2025.

Please contact Ruth Anne Barnard (rbarnard@pa.gov) with any questions or concerns.

Questions:

- **RAI**, Manual including MDS coding? qa-mds@pa.gov
- **State Medicaid**, including Section S, OSA CMI reports and Field Office information? Myers and Stauffer Help-desk at (717) 541-5809 or pahelpdesk@mslc.com
- **CMS SNF QRP Public Reporting?** SNFQRPQuestions@cms.hhs.gov
- **Medicare Part A Billing** and Eligibility Questions - Contact your MAC - Novitas at 1-877-235-8073
- **MDS Technical Issues** including Manual Assessment Correction/Deletion Request and Missing OBRA Assessment Reports (Contact the MDS Automation Coordinator, Ruth Anne Barnard at rbarnard@pa.gov)

Inside this Issue:

FY 2026 SNF PPS Final Rule (CMS-1827)	2-3
RAI Manual - Appendix B	3
CMS Manual System	3
PDPM Nursing Component Q&A - July 2025	4-5
PPS & Consolidated Billing for SNFs	5
Manuals with Recent Updates	5

Next Teleconference: Section GG Refresher

Date: October 2, 2025

Time: 1:30 pm - 2:30 pm

Topic: Section GG Refresher

Handouts: Presentation materials will be emailed to all participants prior to the start of the training.

Registration Link:

<https://mslc.webex.com/weblink/register/r5189430ea10226492444023797a53bd6>

Presenter: Lynn Snider, BSN, RN, RAC-CT
Myers and Stauffer

A recording of this conference will be available following the presentation at:
<https://nfrp.panfsubmit.com>.



FY 2026 Skilled Nursing Facility (SNF) Prospective Payment System Final Rule (CMS-1827)

On July 31, 2025, the Centers for Medicare & Medicaid Services (CMS) issued a final rule for updates to Medicare payment policies and rates for skilled nursing facilities under the Skilled Nursing Facility Prospective Payment System (SNF PPS) for fiscal year (FY) 2026. CMS is publishing this final rule in accordance with the statutory requirements to update Medicare payment policies and rates for SNFs on an annual basis.

FY 2026 Final Updates to the SNF Payment Rates

For FY 2026, CMS is finalizing updating SNF PPS rates by 3.2% based on the final SNF market basket of 3.3%, plus a 0.6% market basket forecast error adjustment, and a negative 0.7% productivity adjustment, which amounts to an increase in SNF PPS payments of \$1.16 billion compared to payments in FY 2025. Note that these impact figures do not incorporate the SNF Value-Based Purchasing (VBP) reductions for certain SNFs subject to the net reduction in payments under the SNF VBP. Those adjustments are estimated to total \$208.36 million in FY 2026.

Final Changes in Patient-Driven Payment Model (PDPM) ICD-10 Code Mappings

In FY 2020, CMS implemented the Patient-Driven Payment Model (PDPM) to improve payment accuracy and appropriateness by focusing on the needs of the whole patient, rather than focusing on the volume of services provided.

The PDPM utilizes the International Classification of Diseases,

10th Revision, Clinical Modification (ICD-10-CM) codes in several ways, including using the person's primary diagnosis to assign patients to clinical categories. CMS is finalizing several changes to the PDPM ICD-10-CM code mappings to allow providers to provide more accurate, consistent, and appropriate primary diagnoses that meet the criteria for skilled intervention during a Part A SNF stay. In this final rule, CMS is finalizing 34 changes to the PDPM ICD-10-CM code mappings to maintain consistency with the latest ICD-10-CM coding guidance.

SNF Value-Based Purchasing (VBP) Program

The SNF VBP Program is a pay-for-performance program. As required by statute, CMS withholds 2% of SNFs' Medicare fee-for-service (FFS) Part A payments to fund the SNF VBP Program. This 2% is referred to as the "withhold." CMS is then required to redistribute between 50% and 70% of this withhold to SNFs as incentive payments depending on their performance in the program. CMS applies incentive payments prospectively to all Medicare fee-for-service (FFS) Part A claims paid under the SNF PPS for the applicable program year (beginning October 1).

For the SNF VBP Program, CMS is finalizing a series of operational and administrative proposals as part of this year's rule. Operationally, this includes finalizing statutorily required performance standards for Program measures and the removal of the Program's Health Equity Adjustment from the scoring

methodology. Final administrative updates include the adoption of a new reconsideration process and technical updates to the Program's regulation text.

Final Updates to the SNF VBP

- CMS is applying the Program's previously finalized scoring methodology to the SNF Within-Stay Potentially Preventive Readmission (SNF WS PPR) measure beginning with the FY 2028 program year.
- Secondly, CMS is finalizing performance standards for the FY 2028 and FY 2029 program years to comply with the program's statutory notice deadline.
- CMS is finalizing adopting a new reconsideration process that will allow SNFs to appeal CMS' initial decisions for Review and Correction requests prior to CMS making any affected data publicly available.
- Finally, CMS is removing the SNF VBP Program's Health Equity Adjustment from the Program's scoring methodology.

SNF Quality Reporting Program (QRP)

- The SNF QRP is a pay-for-reporting program. SNFs that do not meet reporting requirements are subject to a 2-percentage point reduction in their Annual Payment Update (APU). Additionally, CMS publicly reports each SNF's performance on measures adopted into the SNF QRP on the Care Compare website.

FY 2026 SNF PPS Final Rule (CMS-1827), (Continued)

- For the SNF QRP, CMS is finalizing its proposal to remove four standardized patient assessment data elements from the Minimum Data Set (MDS), the SNF resident assessment form, beginning with residents admitted on or after October 1, 2025. CMS is also finalizing its proposal to amend the reconsideration request policy and process. In this final rule, CMS also summarized feedback it received on three RFIs included in the FY 2026 SNF PPS proposed rule.

Final Updates to the SNF QRP:

 - CMS is finalizing its proposal to remove four standardized
- patient assessment data elements under the Social Determinant of Health (SDOH) category from the MDS beginning with residents admitted on October 1, 2025, for the FY 2027 SNF QRP. These data elements are: one item for “living situation,” two items for “food,” and one item for “utilities.”

 - CMS is finalizing its proposal to amend the reconsideration policy and process. Specifically, under this finalized policy and process, CMS will allow SNFs to request an extension to file a request for reconsideration and is updating the bases on which
- CMS can grant a reconsideration request.

 - CMS also summarized feedback it received on several RFIs included in the FY 2026 SNF PPS proposed rule, specifically: 1) future measure concepts on the topics of delirium, interoperability, nutrition, and well-being; 2) revisions to the current data submission deadlines for assessment data, which would allow CMS to provide SNFs with more timely quality data; and 3) advancing digital quality measurement and the use of Fast Healthcare Interoperability Resources® in the SNF QRP.

Source: <https://www.cms.gov/newsroom/fact-sheets/fy-2026-skilled-nursing-facility-snf-prospective-payment-system-final-rule-cms-1827-f>

RAI Manual - Appendix B

August 5, 2025 - The July update of Appendix B to the *MDS 3.0 RAI User’s Manual* contains changes to the list of State RAI Coordinators, MDS Automation Coordinators, and CMS locations and contacts.

To ensure accurate formatting, use a current version of Adobe Acrobat Reader to view this PDF. Web-based or mobile browser plug-ins may affect how the file is displayed.

Source: <https://www.cms.gov/medicare/quality/nursing-home-improvement/resident-assessment-instrument-manual>

CMS Manual System

Pub. 100-07 State Operations Provider Certification

*Department of Health & Human Services (DHHS)
Centers for Medicare & Medicaid Services (CMS)*

Transmittal 232
Date: July 23, 2025

NOTE: Transmittal 231, of the State Operations Manual, Pub. 100-07 dated, July 9, 2025, has been rescinded and replaced with

Transmittal 232, dated, July 23, 2025. The revisions are being made to implement technical changes. All other material in this instruction remains the same.

SUBJECT:
Revisions to State Operations Manual (SOM), Appendix PP

SUMMARY OF CHANGES:
Updated tags and guidance

NEW/REVISED MATERIAL - EFFECTIVE DATE:
April 25, 2025

IMPLEMENTATION DATE:
April 28, 2025

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged.

However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

Source: <https://www.cms.gov/files/document/r232soma.pdf>

PDPM - Nursing Component

Q & A for July 10, 2025 Training

Q. Will the Minimum Data Set (MDS) be in a different format for the Patient-Driven Payment Model (PDPM)?

- A. No, the MDS will remain in the current format. The information needed for PDPM will come from various MDS Items, the same as it does today for the Resource Utilization Grouper (RUG) system.

Q. How should facilities document for proof of the Interdisciplinary Team (IDT) meeting for Section GG?

- A. It should be clear from the resident's medical record documentation that the IDT met and determined that each of the transmitted values for Section GG were based on their overall decision(s).

Q. Can Section GG be customized for a resident? Example, the resident is a bilateral above the knee amputate and the GG walking is not activated?

- A. Please follow the skip patterns for walking questions in Section GG0170 Mobility.

Q. For Section GG is it a requirement that the nursing assistant or nurse does all documentation?

- A. CMS anticipates that an interdisciplinary team of qualified clinicians is involved in assessing the resident during the assessment period.

Q. What specific documentation is required to code Section GG?

- A. There must be documentation in the resident's medical

record identifying the findings for the observation period and there must be documentation in the resident's medical record to verify that the resident's "usual performance" was determined by the IDT. If the IDT's decision for the resident's "usual performance" varies from the supporting documentation in the resident's medical record, there should be an entry for the rationale describing the difference. For additional information, please refer to the most recent version of the PA Supportive Documentation Guidelines.

Q. For Section GG, if a User Defined Assessment (UDA) has the correct date range, but is completed shortly after the ARD, would this be accepted as supporting documentation if all components (including IDT collaboration) were documented?

- A. Section GG may be completed after the ARD in order to allow staff to consider all documentation from the entire time frame. However, there must be documentation (including dates) of supporting documentation for the resident's performance during the observation period; further, the IDT decision(s) should be based on the resident's "usual performance."

Q. Is a vascular ulcer counted if it is healed during the look-back period?

- A. The RAI Manual does not directly speak to this;

however, it does state not to code pressure ulcers if they are healed during the look-back period. PA applies the same standards for this situation to Venous/Vascular ulcers – if they are healed during the look-back period, they should not be coded on the MDS.

Q. Is it correct that a Deep Tissue Injury (DTI) does not count as an unstageable wound?

- A. According to the RAI Manual, page, M-27, Deep Tissue Injury wounds should be coded at M0300G: Unstageable Pressure Injuries Related to Deep Tissue Injury.

Q. Is the MDS Coordinator allowed to make notes in the MDS portion of Point Click Care (PCC)?

- A. The RN Reviewer will accept documentation from any portion of the resident's original permanent legal medical record. The RN Reviewer will be unable to accept documentation that is not a part of the resident's permanent medical record.

Q. Is an LPN permitted to do assessments for Respiratory Therapy?

- A. In PA an LPN cannot assess, therefore an RN or Respiratory Therapist must perform this requirement. This assessment would be needed in coordination with any other modalities provided by an appropriately trained LPN. Respiratory therapy should be given on the basis of

PDPM - Nursing Component

Q & A for July 10, 2025 Training (Continued)

medical necessity based on an assessment.

Q. We have a resident who receives Hospice care in the mornings, are we able to count the services they provide?

A. For reimbursement purposes, services provided by Hospice care staff may not be counted toward services provided. For example, Section GG would not be able to be coded based on services provided by Hospice care staff.

Q. What documentation is required for resident's who do not lay flat due to shortness of breath?

A. Documentation must be present in the resident's

medical record to identify the cause of the shortness of breath while lying flat and the interventions applied during the observation period. The resident should not be placed in distress in order to assess for this condition.

Q. Is clean-up assistance ignored for the task of Eating in PDPM?

A. The intent of GG0130A, Eating is to assess the resident's ability to use suitable utensils to bring food and/or liquid to the mouth and swallow food and/or liquid once the meal is placed before the resident. Clean-up assistance is included in Code 05, Setup or clean-up assistance: if the

helper sets up or cleans up; resident completes activity. Helper assists only prior to or following the activity, but not during the activity.

Q. If a resident requires total assistance with feeding, but they must be supervised by staff for swallowing safely, should 01 dependent be coded or 02 substantial/maximal assistance be coded?

A. If a resident swallows safely without assistance, exclude swallowing from consideration when coding GG0130A, Eating. Based on the information provided, it would appear that 01 dependent would be coded here as the resident requires total assistance from staff to eat.

Medicare Program; PPS and Consolidated Billing for SNFs

Updates to the Quality Reporting Program for Federal Fiscal Year 2026

The Skilled Nursing Facility Final Payment Rule can be viewed at the Federal Register at:
<https://www.federalregister.gov/d/2025-14679>

Manuals with Recent Updates:

**Nursing Home Compare - Five-Star Quality Rating System: Technical User's Guide
 State-Level Health Inspection Cut Point Table – Updated July 2025**

<https://www.cms.gov/medicare/provider-enrollment-and-certification/certificationandcompliance/downloads/usersguide.pdf>

**Internet Quality Improvement & Evaluation System (iQIES) User Roles Matrix Job Aid
 Version 4.5 Updated July 24, 2025**

<https://qtso.cms.gov/system/files/qtso/iQIES%20User%20Roles%20Matrix%20Job%20Aid%20v4.5%207.24.25.pdf>

iQIES Job Aids updated June 25, 2025

(iQIES S&C Delete an Intake Job Aid v1.0 (PDF 246 KB)

[Posted 06/25/2025]

<https://qtso.cms.gov/system/files/qtso/S%20and%20C%20iQIES%20Delete%20an%20Intake%2006.25.25.pdf>

