

**An Important Message from
The Texas Health and Human Services Commission (HHSC)**

**Section RUG Tab Required for Reimbursement of Medicaid Nursing
Facility Services Effective October 1**

Background:

Effective October 1, 2023, the Centers for Medicare & Medicaid Services (CMS) will no longer calculate Medicaid Resource Utilization Group (RUG) III values on the Minimum Data Set (MDS) 3.0 comprehensive and quarterly assessments (as communicated in the [CMS State Medicaid Director letter # 22-005](#)). Effective October 1, 2023, CMS is also removing 55 RUG-related fields from the MDS.

Key Details:

For MDS Assessments with an assessment reference date of October 1, 2023, or later, the Texas Medicaid & Healthcare Partnership (TMHP) will calculate the RUG III Score based on data elements captured in the Section RUG tab on the Long Term Care Online Portal (LTCOP) when the Section Long Term Care Medicaid Information (LTCMI) is completed. HHSC has notified Medicaid NF providers that beginning October 1, 2023, to receive reimbursement for Medicaid NF services, they must complete the Section RUG tab as part of the LTCMI for comprehensive and quarterly MDS assessments with an ARD of October 1, 2023, or later.

This Section RUG solution will not impact the transmission of RUG III values to payers, including TMHP and managed care organizations, for use in claims adjudication.

Resources:

For more information, please refer to the [TMHP Notice](#) and [Information letter #2023-32 managed care initiatives@hhs.texas.gov](#)