



**STATE OF WEST VIRGINIA  
DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
Bureau for Medical Services**

**Sherri A. Young, DO, MBA, FAAFP  
Interim Cabinet Secretary**

**Cynthia E. Beane, MSW, LCSW  
Commissioner**

**M E M O R A N D U M**

**TO:** Administrators of Nursing Facilities

**FROM:** Cynthia Beane, MSW, LCSW  
Commissioner

**DATE:** August 24, 2023

**SUBJECT:** Optional State Assessment Adoption Notification  
State Medicaid Director's (SMD) #22-005 Letter

Per the Center's for Medicare and Medicaid Services (CMS) State Medicaid Director's Letter (SMD#22-005) released on September 21, 2022, the standard Minimum Data Set (MDS) items necessary for resident classification under a Resource Utilization Group (RUG) based acuity system will no longer be available beginning October 1, 2023.

As the transition to the Patient Driven Payment Model (PDPM) is ongoing, the Bureau for Medical Services has agreed to implement the Optional State Assessment (OSA), effective October 1, 2023, to continue collecting the MDS items necessary for West Virginia-specific RUGs classification.

As a result, assessments with reference dates on or after October 1, 2023, and until a rebase of reimbursement rates occurs that incorporates PDPM resident classification methodology, the OSA item set should be utilized. The OSA item set must be completed in conjunction with each assessment for Medicaid billing purposes to qualify for reimbursement. The OSA item set needs to have an assessment reference date that is identical to that of the assessment with which it was performed.