FY 2027 RAI Manual Updates

Effective October 1, 2026

Highest Impact Changes

1. Reopened pressure ulcers are no longer coded as Present on Admission.
2. Only skilled respiratory therapy services may be captured on the MDS.
3. When multiple BIMS or PHQ interviews exist, code the one closest to the ARD.
4. Race and ethnicity responses may be reused for up to one year.
5. Resident self-report for shortness of breath items should be accepted without requiring task performance.
6. Isolation coding focuses on active infection status, not how the infection was acquired.
7. CMS reinforced that federal RAI coding instructions supersede payer or state modifications for non-Section S items.

Chapter 1: Resident Assessment Instrument (RAI) Process

State Authority and Limits

- CMS reinforced that the RAI User's Manual is the source of authority for MDS coding.
- "State or other payer requirements do not replace, modify, or add to the item definitions, coding instructions, coding tips, or response options specified in this manual." (p. 2-49)
- State-specific requirements remain limited to Section S items.

Public Health Emergencies (PHEs)

- Added guidance regarding Section 1135 Waivers during federally declared emergencies.
- ..."CMS will take steps during each declared public health emergency to identify the specific requirements that will be waived or modified under the § 1135 authority and to whom and under what circumstances such waivers or modifications will apply."

Resident Transfers During Emergencies

CMS revised the following statement to remove "with an anticipated return to the facility."

When there has been a transfer of residents as a result of a natural disaster(s) (e.g., flood, earthquake, fire) with an anticipated return to the facility, the evacuating facility should contact their CMS Location (formerly known as Regional Office), State Agency, and Medicare Administrative Contractor (MAC) for guidance. (p. 2-6)

Chapter 3: MDS Assessment Coding

Section A: Race and Ethnicity

- For subsequent assessments:
    - If race/ethnicity was collected less than 1 year ago, facilities may use the prior response.
    - If 1 year or more has passed, the resident should be asked again.

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Sections C & D: BIMS and PHQ Interviews

- When multiple BIMS or PHQ interviews occur during the look-back period, code the interview completed **closest to the ARD**.
- Removed: Previous guidance stating BIMS should preferably be conducted the day before or day of the ARD.

Section J: Health Conditions

Shortness of Breath (J1100)

- If the resident reports avoiding an activity (e.g., lying flat) due to shortness of breath, do not require the resident to perform the activity. (p. J-25).
- Reinforces the importance of accepting resident self-report.

Falls

- Clarified look-back periods for entry/admission and reentry
    - If this is the first assessment since entry/admission (A0310E = 1 and A1700 = 1), review the medical record for the time period from the admission date to the ARD.
    - If this is the first assessment since reentry (A0310E = 1 and A1700 = 2), review the medical record for the time period from the reentry date (A1600) to the ARD.

Section M: Skin Conditions

M0300 Updates: If a resident has a pressure ulcer/injury that was documented on admission, subsequently closed (i.e., healed), and then opens again, the ulcer/injury **should not be coded as "present on admission."**

M1040C - Other Open Lesions on the Foot

Added coding tips:

- Use only for foot lesions not captured elsewhere in Section M.
- Examples include cuts and fissures.

M1040D - Open Lesions Other Than Ulcers, Rashes, or Cuts

- Clarified that disease-related lesions not captured elsewhere should be coded here.
- Examples include:
    - Bullous pemphigoid *(removed as an example at 1040D but was added as a coding tip for this item)*
    - Boils
    - Cysts
    - Vesicles
    - Cancer lesions

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Skin Substitutes and Advanced Wound Care Dressings

- Application of advanced wound care dressings or skin substitutes:
  - *If an advanced wound care dressing or skin substitute is applied to the pressure ulcer, it is not coded as a surgical wound because its application does not require a surgical procedure. (p. M-35)*
- If applied to a pressure ulcer these treatments should be coded under M1200E (Pressure Ulcer/Injury Care).

Adhesive Bandages

- CMS clarified that BAND-AIDs®, wound closure strips, and similar adhesive bandages are not considered dressings for:
  - M1200E Pressure Ulcer/Injury Care
  - M1200F Surgical Wound Care
  - M1200I Applications of Dressings to Feet

Section O: Special Treatments, Procedures, and Programs

Respiratory Therapy

- CMS significantly narrowed qualifying respiratory therapy services.
  - *"Time that a resident self-administers or receives a nebulizer treatment or maintenance level/prophylactic incentive spirometry without clinically indicated or medically necessary supervision of the respiratory therapist or respiratory nurse* ***is not included in the minutes recorded on the MDS****." (p. O-23)*

To code respiratory therapy:

- Services must be **skilled**.
- Services must be clinically indicated or medically necessary.
- Services must require the skills, knowledge, and judgment of a respiratory therapist or respiratory nurse.
- A therapy day counts only when at least **15 minutes of skilled respiratory therapy** are provided.

Examples that generally **do not qualify**:

- Routine maintenance treatments.
- Prophylactic incentive spirometry.
- Resident self-administration.
- Staff assistance alone without skilled respiratory assessment or intervention.

Isolation

- First criteria updated to remove the statement "that have been acquired by physical contact or airborne or droplet transmission"
- **New:** "1. The resident has an active infection with a highly transmissible or epidemiologically significant pathogen." (p. O-8)
- Coders no longer need to determine how the infection was acquired

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Chapter 6: PDPM Calculation Worksheet

Depression End-Split

- Terminology changed from **"Depression"** to **"Depression Signs and Symptoms."**
- Clarifies that this end-split is based on the presence of signs and symptoms of depression and not on the presence of a depression diagnosis or treatment.

Pulmonary Conditions

- Clarified that the Special Care High qualifier associated with I6200 includes:
    - Asthma
    - COPD
    - Chronic lung disease
- Aligns Chapter 6 language with Chapter 3 coding instructions and item I6200

Restorative Nursing

- Clarified that "toileting programs (H0200C and H0500) do require day/minute documentation"