PDGM
(PATIENT DRIVEN GROUPINGS MODEL)
-
STRUCTURE & FINANCIAL

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PATIENT DRIVEN GROUPINGS MODEL (PDGM)

➤ Proposed originally 2017 - Proposed under new title 2018 – Set to be implemented 2020

➤ Budget Neutral transition as mandated by BiBA

➤ Behavioral Adjustments (8.01% - as proposed July 2019)

  ➤ Diagnosis coding, Comorbidities, LUPA avoidance

➤ $1791.73 - - proposed 2018-$1753.68 - - proposed HHGM-$1607

➤ LUPA: 2-6 visits @ 10th percentile value of total visits in payment group

➤ Outlier based on 30 day unit of payment

➤ PEP adjustments will be based on 30 day periods

➤ Therapy Thresholds are NO MORE

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

- **432 payment groups** – increased from 216 groups originally proposed
- Episode timing: "early" or "late"
- Admission source: Community or Institutional
- Clinical grouping: **12 sub-groups** (primary diagnosis)
- Functional level: 3 groups – Low, Medium or High
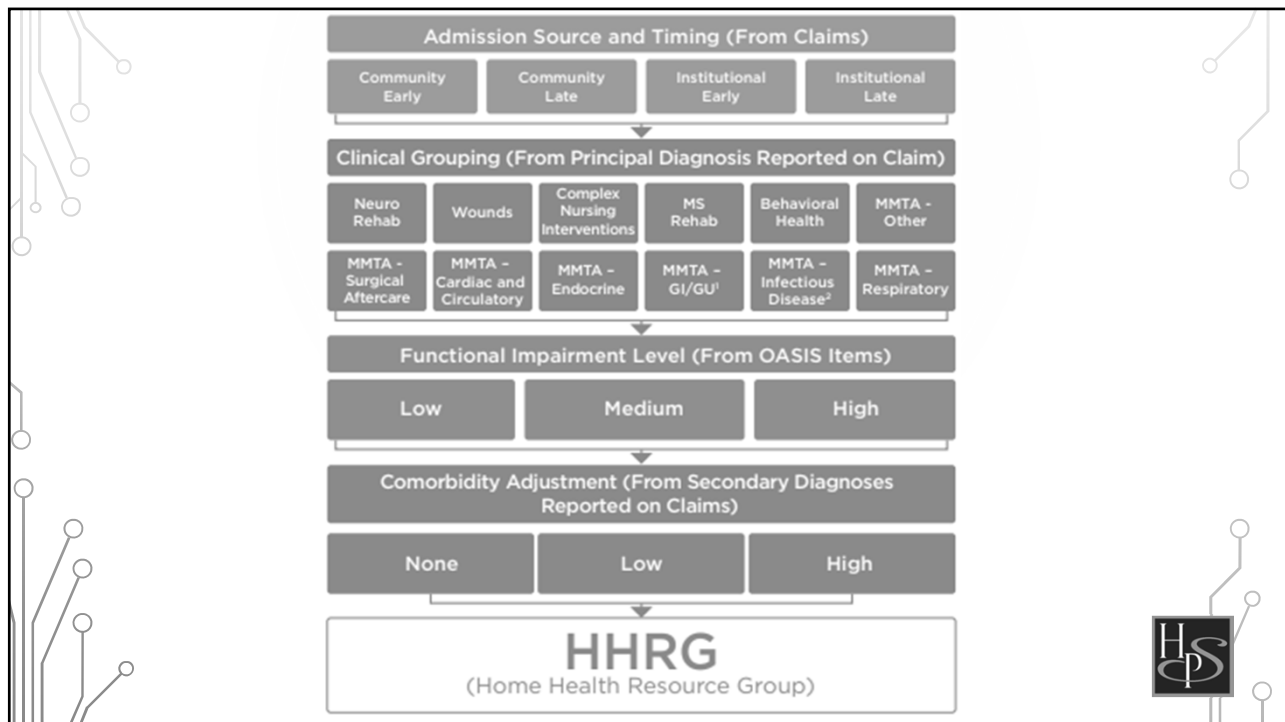- Comorbidity adjustment: None, Low or High (secondary diagnoses)

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

PDGM makes no changes to the 60-day clinical episode certification

- SOC/Recert (Follow-Up)
- 60-day Plan of Care
- Recertification visit within the last 5 days prior to the beginning of the Recertification Episode
- Face to Face Requirements remain

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

- Admission Source & Timing (Claims) - (Community Early, Community Late, Institutional Early or Institutional Late)
  - Only the first 30-day period will be considered Early and all others late. Similar to the current PPS model, the payment period could only be considered Early if great than 60 days has passed since the end of a previous period of care.
  - **IMPORTANT** - - However, if a patient experiences a significant change in condition before the start of a subsequent, contiguous 30-day period, for example due to a fall; a follow-up assessment would be submitted at the start of a second 30-day period to reflect any changes in the patient's condition, including functional abilities, and the second 30-day claim would be grouped into its appropriate case-mix group accordingly

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

Admission Source & Timing (Claims) - (Community Early, Community Late, Institutional Early or Institutional Late)

- Admission Source will be Community or Institutional – depending on the healthcare setting utilized in the 14 days prior to home health (inpatient acute care hospitalization, skilled nursing facilities, inpatient rehabilitation facility, psychiatric or long term care hospital)

- **IMPORTANT:** A post-acute stay (SNF, Rehab, LTCH, or Psych) in the 14 days prior to a late home health 30-day period would not be classified as an institutional admission unless the patient had been discharged from home health prior to post-acute stay

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PATIENT DRIVEN GROUPINGS MODEL (PDGM)

Clinical Grouping (Primary Diagnosis) –

NEW - - Medication Management, Teaching and Assessment (MMTA)
- MMTA – Surgical Aftercare
- MMTA – Cardiac/Circulatory
- MMTA – Endocrine
- MMTA – GI/GU
- MMTA – Infectious & Blood-forming Diseases/Neoplasms
- MMTA – Respiratory
- MMTA – Other

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

Clinical Grouping (Primary Diagnosis) –

- Neuro Rehab,
- Wounds,
- Complex Nursing Interventions,
- Musculoskeletal (MS) Rehab,
- Behavioral Health

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

- Functional Level (OASIS Items) – (Low, Medium, High)
  - Anticipates roughly 33% of periods of care will fall into each of the categories.
  - M1800-M1860 and M1033 are OASIS-D1Items proposed for use in determining Functional Level

OASIS Points Table – July 2019

Variable	Response Category	Responses	Points
M1800: Grooming	1	2, 3	5
M1810: Current Ability to Dress Upper Body	1	2, 3	6
M1820: Current Ability to Dress Lower Body	1	2	6
	2	3	12
M1830: Bathing	1	2	3
	2	3, 4	12
	3	5, 6	20
M1840: Toilet Transferring	1	2, 3, 4	5
M1850: Transferring	1	1	3
	2	2, 3, 4, 5	6
M1860: Ambulation/Locomotion	1	2	9
	2	3	11
	3	4, 5, 6	23
M1033: Risk of Hospitalization	4 or more items checked	From 1-7	11

MMTA - Surgical Aftercare	Low	0-37
	Medium	38-51
	High	52+
MMTA - Cardiac and Circulatory	Low	0-35
	Medium	36-51
	High	52+
MMTA - Endocrine	Low	0-35
	Medium	36-51
	High	52+
MMTA - Gastrointestinal tract and Genitourinary system	Low	0-40
	Medium	41-54
	High	55+
MMTA - Infectious Disease, Neoplasms, and Blood-Forming Diseases	Low	0-35
	Medium	36-51
	High	52+
MMTA - Respiratory	Low	0-37
	Medium	38-51
	High	52+
MMTA - Other	Low	0-32
	Medium	33-49
	High	50+

Behavioral Health	Low	0-35
	Medium	36-52
	High	53+
Complex Nursing Interventions	Low	0-38
	Medium	39-57
	High	58+
Musculoskeletal Rehabilitation	Low	0-38
	Medium	39-51
	High	52+
Neuro Rehabilitation	Low	0-44
	Medium	45-59
	High	60+
Wound	Low	0-41
	Medium	42-60
	High	61+

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

- **No comorbidity adjustment**

- **Low comorbidity adjustment:** There is a reported secondary diagnosis that falls within one of the home-health specific individual comorbidity subgroups associated with higher resource use, or;

- **High comorbidity adjustment:** There are two or more secondary diagnoses reported that fall within the same comorbidity subgroup interaction that are associated with higher resource use.

Position #1 Source & Timing	Position #2 Clinical Group		Position #3 Functional Level		Position #4 Co-Morbidity		Position #5 Placeholder
Community Early	1	MMTA_OTHER	A	Low	A	None	1	1
Institutional Early	2	Neuro Rehab	B	Medium	B	Low	2	
Community Late	3	Wounds	C	High	C	High	3	
Institutional Late	4	Complex Nursing	D					
		MS Rehab	E					
		Behavioral Health	F					
		MMTA - Surgical Aftercare	G					
		MMTA - Cardiac	H					
		MMTA - Endocrine	I					
		MMTA - GI/GU	J					
		MMTA - Infectious	K					
		MMTA - Respiratory	L					

LUPA THRESHOLDS

Variable thresholds based on Case Mix Grouping (HHRG)

- Different level for each of the 432 Case Mix Groupings – ranges between 2 - 6 visits.
- Based on 30 day payment periods – NOT 60 day episodes
- Utilize 10th percentile value of visits for each threshold
- LUPA reimbursement is per visit (as prior PPS)

FINANCIAL IMPACT – LUPA RATES

HH Discipline	CY 2019 Per-Visit Payment	Wage Index Budget Neutrality Factor	CY 2020 HH Payment Update	CY 2020 Per-Visit Payment
Home Health Aide	$66.34	X 1.0065	X 1.015	$ 67.77
Medical Social Services	$234.82	X 1.0065	X 1.015	$239.89
Occupational Therapy	$161.24	X 1.0065	X 1.015	$164.72
Physical Therapy	$160.14	X 1.0065	X 1.015	$163.60
Skilled Nursing	$146.50	X 1.0065	X 1.015	$149.66
Speech-Language Pathology	$174.06	X 1.0065	X 1.015	$177.82

FINANCIAL IMPACT – RATES

- Proposed Base Rate for 2020 - $1,791.73
  - While this rate is higher than the original proposed amount it is less 8.01% Due to Behavioral Adjustment

Behavior Assumption	30-day Budget Neutral (BN) Standard Amount	Percent Change from No Behavior Assumptions [1]
No Behavior Assumptions	$1,907.11	
LUPA Threshold (1/3 of LUPAs 1-2 visits away from threshold get extra visits and become case-mix adjusted)	$1,871.67	-1.86%
Clinical Group Coding [2] (among available diagnoses, one leading to highest payment clinical grouping classification designated as principal)	$1,794.42	-5.91%
Comorbidity Coding (assigns comorbidity level based on comorbidities appearing on HHA claims and not just OASIS)	$1,900.05	-0.37%
Clinical Group Coding + Comorbidity Coding + LUPA Threshold	$1,754.37	-8.01%

FINANCIAL IMPACT – RATES

CY 2020 30-day Budget Neutral (BN) Standard Amount	Wage Index Budget Neutrality Factor	CY 2020 HH Payment Update	CY 2020 National, Standardized 30-Day Period Payment
$1,754.37	X 1.0062	X 1.015	$1,791.73

FINANCIAL IMPACT – RATES

- CMS is now proposing that RAPs be reimbursed at a rate of 20% of the full 30-day anticipated amount. Previously, the proposed amount was to be 60/40 - 50/50 split as it is today in PPS. This is a VERY serious proposal. While the estimated hit to cash flow has been estimated to be down 15%+ in the first few months under PDGM, this could exacerbate the problem to 30%+.

- Agencies need to look at what this means for them individually and begin preparation now for the cash flow hit.

FINANCIAL IMPACT – CASH FLOW

- Days to RAP at 7 days
- Days to Final Claim at 14 days
- Average Payment Periods Per Patient 1.7
  - January 2020   -13%
  - February 2020   -16%
  - March 2020   +18%
  - April 2020   - 2%
  - May 2020   + 1%
  - June 2020   - 2%

- Days to RAP at 7 days
- Days to Final Claim at 14 days
- Average Payment Periods Per Patient 1.2
  - January 2020   -13%
  - February 2020   -24%
  - March 2020   +1%
  - April 2020   -31%
  - May 2020   -29%
  - June 2020   -31%

FINANCIAL IMPACT – BUDGETING

- Payment Periods   1160
- Base Rate $1,606.39 (Wage Index - .8642)
- Non-LUPA %   88.71%
- Case-Mix Weight   1.235
- LUPA %   11.29%
- Average LUPA Payment $338.61
- Total Medicare Revenue $2,085,837

PATIENT DRIVEN GROUPINGS MODEL (PDGM)

Financial Impact Checklist

- ✓ Calculate the impact of the PDGM model on the agency's reimbursement overall.
- ✓ Budget based on PDGM forecast – 30 day payment periods vs 60 or per visit.
- ✓ Calculate the cash flow impact for the first months of 2020 to establish if your agency will need to consider building cash reserves prior to implementation of PDGM.
- ✓ Evaluate your HHA's current revenue cycle process. This will allow you to establish whether or not the agency will need to add staff or outsource billing to manage the increased billing volume.
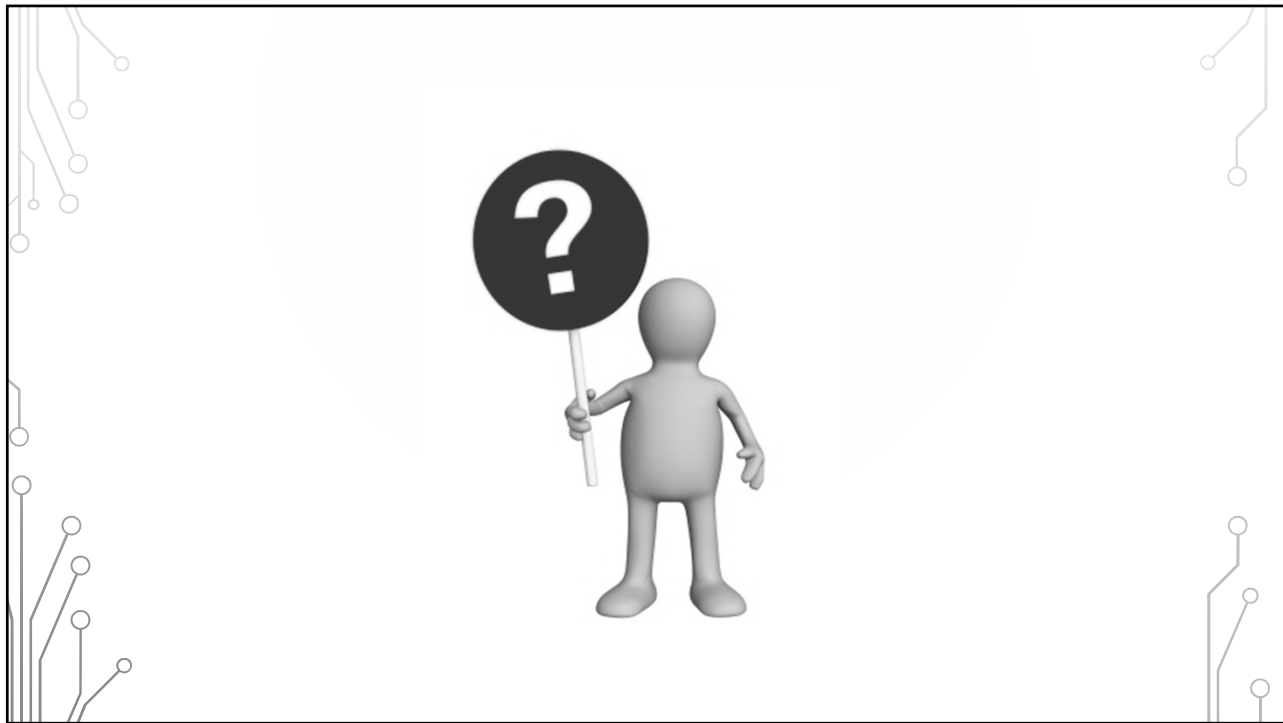

COST CONTAINMENT

Direct costs to be considered

- Adjustments to visit utilization
  - Therapy visits/RPT vs. Assistants?
  - LUPA management?
  - Resources committed for overall episode management

Indirect costs - back office

- Intake or marketing strategies
- Revenue cycle management
- Coding, order, and supply management
- Investments in technology and data resources

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