PDPM One Quarter In, What We Know and What We Don't

BKD
CPAs & Advisors

Presenters

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Patient-Driven Payment Model

PDPM DID NOT

› Change the eligibility requirements for Medicare Part A Fee for Service admissions

- 3 day Inpatient Hospital stay
- Skilled services on a daily basis
  › Skilled Nursing – 7 days/week
  › Skilled Rehabilitation – 5 days/week

› Eliminate the need for Rehab Services

- Rehab will still be a major reason for skilled services

› Change consolidated billing requirements

PDPM DID

› Maintains a per diem rate structure

› Change the components of rate

- 5 Case Mix Adjusted Components

› Reduces number of MDS assessments

  › 5 day PPS
  › Medicare Discharge PPS
  › Interim Payment Assessment

› Emphasizes patient characteristics not the volume of services provided

› Implemented October 1, 2019

Clinical Categories

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html

PDPM Clinical Categories	PT/OT Clinical Categories
• Major Joint Replacement or Spinal Surgery	Major Joint Replacement or Spinal Surgery
• Acute Neurological • Non-Orthopedic Surgery	Non-Orthopedic Surgery & Acute Neurological
• Non-Surgical Orthopedic/musculoskeletal • Orthopedic-Surgical Extremities Not Major Joint	Other Orthopedic
• Medical Management • Cancer • Pulmonary • Cardiovascular & Coagulations • Acute Infections	Medical Management

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New to PDPM

Interim Payment Assessments (IPA)

Interrupted Stay Window

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PDPM PT/OT Case-Mix Classification Groups

Clinical Category	PT & OT Function Score	PT/OT Case Mix Group	PT CMI	OT CMI
Major Joint Replacement or Spinal Surgery	0-5	TA	1.53	1.49
Major Joint Replacement or Spinal Surgery	6-9	TB	1.69	1.63
Major Joint Replacement or Spinal Surgery	10-23	TC	1.88	1.68
Major Joint Replacement or Spinal Surgery	24	TD	1.92	1.53
Other Orthopedic	0-5	TE	1.42	1.41
Other Orthopedic	6-9	TF	1.61	1.59
Other Orthopedic	10-23	TG	1.67	1.64
Other Orthopedic	24	TH	1.16	1.15
Medical Management	0-5	TI	1.13	1.17
Medical Management	6-9	TJ	1.42	1.44
Medical Management	10-23	TK	1.52	1.54
Medical Management	24	TL	1.09	1.11
Non-Orthopedic Surgery & Acute Neurologic	0-5	TM	1.27	1.30
Non-Orthopedic Surgery & Acute Neurologic	6-9	TN	1.48	1.49
Non-Orthopedic Surgery & Acute Neurologic	10-23	TO	1.55	1.55
Non-Orthopedic Surgery & Acute Neurologic	24	TP	1.08	1.09

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SLP Component

› SLP component uses a number of different patient characteristics that are predictive of increased SLP costs:

- Acute Neurologic clinical classification
- Certain SLP-related comorbidities
- Presence of cognitive impairment
- Use of a mechanically-altered diet
- Presence of swallowing disorder

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PDPM SLP Case Mix Classification Groups

Presence of Acute Neurologic Condition, SLP-Related Comorbidity and/or Cognitive Impairment	Altered Diet and/or Swallowing Disorder	SLP CMG	SLP CMI
None	Neither	SA	0.68
None	Either	SB	1.82
None	Both	SC	2.66
Any one	Neither	SD	1.46
Any one	Either	SE	2.33
Any one	Both	SF	2.97
Any two	Neither	SG	2.04
Any two	Either	SH	2.85
Any two	Both	SI	3.51
Any three	Neither	SJ	2.98
Any three	Either	SK	3.69
Any three	Both	SL	4.19

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Nursing Component

› PDPM utilizes the same basic nursing classification structure as RUG-IV, with certain modifications:

- Function score based on Section GG of the MDS 3.0
- Collapsed functional groups, reducing the number of nursing groups from 43 to 25
  › Extensive Services
  › Special Care High
  › Special Care Low
  › Clinically Complex
  › Behavior Symptoms & Cognitive Impairment
  › Reduced Physical Function

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PDPM Nursing Case-Mix Classification Groups

RUG-IV	Services	Depression	Restorative Nursing	Function Score	PDPM CMG	CMI
ES3	Trach & Ventilator			0 – 14	ES3	4.04
ES2	Trach or Ventilator			0 – 14	ES2	3.06
ES1	Infectious Isolation			0 – 14	ES1	2.91
HE2/HD2	Complex medical care	Yes		0 – 5	HDE2	2.39
HE1/HD1	Complex medical care	No		0 – 5	HDE1	1.99
HC2/HB2	Complex medical care	Yes		6 – 14	HBC2	2.23
HC1/HB1	Complex medical care	No		6 – 14	HBC1	1.85
LE2/LD2	Complex medical care	Yes		0 – 5	LDE2	2.07
LE1/LD1	Complex medical care	No		0 – 5	LDE1	1.72

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PDPM Nursing Case-Mix Classification Groups

RUG-IV	Services	Depression	Restorative Nursing	Function Score	PDPM CMG	CMI
LC2/LB2	Complex medical care	Yes		6 – 14	LBC2	1.71
LC1/LB1	Complex medical care	No		6 – 14	LBC1	1.43
CE2/CD2	Complex medical care	Yes		0 – 5	CDE2	1.86
CE1/CD1	Complex medical care	No		0 – 5	CDE1	1.62
CC2/CB2	Complex medical care	Yes		6 – 14	CBC2	1.54
CC1/CB1	Complex medical care	No		6 – 14	CBC1	1.34
CA2	Complex medical care	Yes		15 – 16	CA2	1.08
CA1	Complex medical care	No		15 – 16	CA1	0.94

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PDPM Nursing Case-Mix Classification Groups

RUG-IV	Services	Depression	Restorative Nursing	Function Score	PDPM CMG	CMI
BB2/BA2	Behavioral or cognitive symptoms		2 or More	11 – 16	BAB2	1.04
BB1/BA1	Behavioral or cognitive symptoms		0 – 1	11 – 16	BAB1	0.99
PE2/PD2	ADL Assistance		2 or More	0 – 5	PDE2	1.57
PE1/PD1	ADL Assistance		0 – 1	0 – 5	PDE1	1.47
PC2/PB2	ADL Assistance		2 or More	6 – 14	PBC2	1.21
PC1/PB1	ADL Assistance		0 – 1	6 – 14	PBC1	1.13
PA2	ADL Assistance		2 or More	15 – 16	PA2	0.7
PA1	ADL Assistance		0 – 1	15 – 16	PA1	0.66

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Non-Therapy Ancillary Component

› Calculated based on the presence of certain comorbidities or use of certain extensive services

› Weighted count of comorbidities with higher points awarded or higher cost tiers

  • Total of 50 MDS items

  • Many of the diagnosis will be based on ICD-10-CM codes in Section I8000

› https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html

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Non-Therapy Ancillary Component

Diagnosis/Service	Source	Points
HIV/AIDS	SNF Claim	8
Parenteral IV (high level)	MDS Section K	7
IV Medication (Post admission)	MDS Section O	5
Ventilator (Post admission)	MDS Section O	4
Parenteral IV Feeding (Low level)	MDS Section K	3
Lung Transplant Status	ICD-10	3
Transfusion (Post Admission)	MDS Section O	2
Major Organ Transplant Status except Lung	ICD-10	2
Multiple Sclerosis	MDS Section I	2
Opportunistic Infections	ICD-10	2
Asthma, COPD, Chronic Lung disease	MDS Section I	2
Bone/Joint/Muscle Infections/Necrosis except Aseptic Necrosis of bone	ICD-10	2

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Non-Therapy Ancillary Component

Diagnosis/Service	Source	Points
Chronic Myeloid Leukemia	ICD-10	2
Wound Infection	MDS Section I	2
Diabetes Mellitus	MDS Section I	2
Endocarditis	ICD-10	1
Immune Disorders	ICD-10	1
End Stage Liver Disease	ICD-10	1
Diabetic Foot Ulcer	MDS Section M	1
Narcolepsy & Cataplexy	ICD-10	1
Cystic Fibrosis	ICD-10	1
Tracheostomy (Post admission)	MDS Section O	1
MDRO Code	MDS Section I	1
Isolation (Post Admission)	MDS section O	1

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Non-Therapy Ancillary Component

Diagnosis/Service	Source	Points
Hereditary Metabolic/Immune Disorders	ICD-10	1
Morbid Obesity	ICD-10	1
Radiation (Post Admission)	MDS Section O	1
Stage 4 Pressure Ulcer [1]	MDS Section M	1
Psoriatic Arthropathy & Systemic Sclerosis	ICD-10	1
Chronic Pancreatitis	ICD-10	1
Proliferative Diabetic Retinopathy & Vitreous Hemorrhage	ICD-10	1
Other foot problems/infection	MDS Section M	1
Complications of specifies Implanted device or graft	ICD-10	1
Intermittent Bladder catheterization	MDS Section H	1
Inflammatory Bowel Disease	MDS Section I	1
Aseptic Necrosis of Bone	ICD-10	1
Suctioning (Post Admission)	MDS Section O	1

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Non-Therapy Ancillary Component

Diagnosis/Service	☑ Or ICD-10	Points
Cardio-Respiratory Failure & Shock	ICD-10	1
Myelodysplastic Syndromes & Myelofibrosis	ICD-10	1
ALS, Lupus, Other Connective Tissue Disorders	ICD-10	1
Diabetic Retinopathy	ICD-10	1
Feeding Tube	MDS Section K	1
Severe Skin Burn or Condition	ICD-10	1
Intractable Epilepsy	ICD-10	1
Malnutrition	MDS Section I	1
Disorders of Immunity	ICD-10	1
Cirrhosis of Liver	ICD-10	1
Ostomy: Bowel/Bladder Appliances	MDS Section H	1
Respiratory Arrest	ICD-10	1
Pulmonary Fibrosis & Other Chronic Lung disorders	ICD-10	1

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NTA Case Mix Classification Groups

NTA Score Range	NTA Case Mix Group	NTA Case Mix Index
12 +	NA	3.25
9-11	NB	2.53
6-8	NC	1.85
3-5	ND	1.34
1-2	NE	0.96
0	NF	0.72

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Information from First Billing Cycle under PDPM

› PT/OT Component

  • Function Scores

› SLP Component

› Nursing Component

  • Depression

  • Function Scores

› Non-Therapy Ancillary Component

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PT/OT COMPONENT

PT/OT Component	Low-Volume Facility	High-Volume Facility
Clinical Category		
Major Joint/Spinal Surgery	0%	5%
Other Orthopedic	39%	35%
Non-Ortho/Acute Neurologic	23%	10%
Medical Management	39%	50%
	100%	100%

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PT/OT Functional Scores

PT/OT Component	Low-Volume Facility	High-Volume Facility
Functional Score		
0-5 (Dependent)	15%	0%
6-9	8%	1%
10-23	77%	89%
24 (Independent)	0%	10%
	100%	100%

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SLP Component

SLP Component	Low-Volume Facility	High-Volume Facility
Comorbidities		
None	30%	58%
1	55%	31%
More than 1	15%	11%
	100%	100%

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SLP Component Continued

SLP Component	Low-Volume Facility	High-Volume Facility
MAD/Swallowing Disorder		
Neither	46%	87%
Either or Both	54%	13%
	100%	100%

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Nursing Component

Nursing	Low-Volume Facility	High-Volume Facility
Clinical Category		
Extensive Services	0%	0%
Special Care High	39%	19%
Special Care Low	8%	6%
Clinically Complex	38%	36%
Behavioral	0%	8%
Reduced Physical Function	15%	31%
	100%	100%

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Restorative Nursing Services

Nursing	Low-Volume Facility	High-Volume Facility
Nonpresumptive Patients with 2 Restorative Programs Documented	100%	54%

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Nursing Function Scores

Nursing	Low-Volume Facility	High-Volume Facility
Functional Score		
0-5 (More Dependent)	23%	1%
6-14	62%	47%
15-16 (Less Dependent)	15%	52%
	100%	100%

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PHQ-9 Scores

Nursing	Low-Volume Facility	High-Volume Facility
PHQ-9 Score		
10 or Greater	27%	45%
Less than 10	73%	55%
	100%	100%

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NTA Component

NTA	Low-Volume Facility	High-Volume Facility
Score		
>=12	8%	0%
9-11	8%	0%
6-8	8%	3%
3-5	38%	35%
1-2	23%	31%
0	15%	31%
	100%	100%

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Key Roles in the Facility

Physician

Interdisciplinary Team (IDT)

Minimum Data Set (MDS) Coordinator

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Collection of Info

› Request from referral source

› Nursing component

› NTA component

› Update your process for when the IDT meets

› Make sure triple check forms are updated

Other Important Considerations

Software

› Help identify the correct primary diagnosis code

› Software updates

› Include the payment adjustment for VBP / QRP / Sequestration

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Medicare Advantage / Managed Care

1. How will claims be paid?

2. What additional information will be required?

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Therapy Contracts

› Compare contract to invoice

› Compare invoice to actual Medicare payment if based on a percentage

› Compare cost per minute monthly to RUG per minute rate

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Billing / Remittance Advice

› Monitor days in accounts receivable

› Reconcile what you were expecting to get paid to your reimbursement

› BKD Rate Calculator

Provider Number		Exclude "-" from provider number
Facility		
Location		
HIPPS	NHNC1	
VBP	1.0000000000	Enter as decimal (i.e. 1.0200000000 or .9800000000)
CBSA	0	
CBSA Location		

Clinical Summary

Clinical Category:	Non-Orthopedic Surgery and Acute Neurologic
PT/OT Function Score Range:	6-9
Nursing Category:	Clinically complex
Nursing Functional Score Rate:	6-14
Depression identified:	Yes
SLP Conditions/Comorbidities:	Two
MAD/Swallow issues:	Either
NTA Score Range:	6-8

Daily Rate Summary

	Day 1-3	Day 4-20	Day 21-27	Day 28-34	Day 35-41	Day 42-48	Day 49-55
Per Diem Rate	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
NTA Adjustment	3.00	1.00	1.00	1.00	1.00	1.00	1.00
PT/OT Adjustment	1.00	1.00	0.98	0.96	0.94	0.92	0.90
	Day 56-62	Day 63-69	Day 70-76	Day 77-83	Day 84-90	Day 91-97	Day 98-100
Per Diem Rate	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
NTA Adjustment	1.00	1.00	1.00	1.00	1.00	1.00	1.00
PT/OT Adjustment	0.88	0.86	0.84	0.82	0.80	0.78	0.76

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Therapy – Section GG

› IDT process for gathering documentation to support 'usual performance'

› Consider documentation from both therapy and nursing

› Determine who will be responsible for completing Section GG?
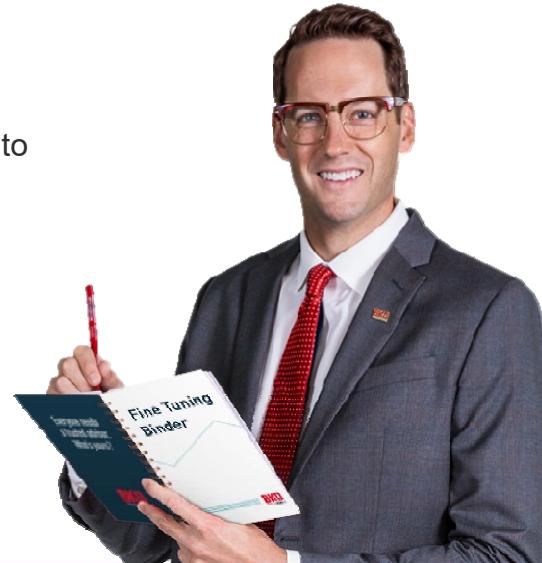
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Questions?

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