



# Medicare Payment Reform: Patient- Driven Payment Model

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# Today's Learning Objective

- Patient-Driven Payment Model (PDPM) Defined
- Payment Reform will Shape our Future
- PDPM Readiness:
  - Need for Outcomes
  - Coding considerations



## Why a new Model?

### MedPAC has raised concerns about:

- Concerns about overutilization of therapy- move away from a minutes based model to a value- based model.

### MedPAC has focused on:

- Aligning cost and payment
- Pay for performance

### ◊IG Reports Over the Years:

- Questionable billing by skilled nursing facilities (December 2010)
- The Medicare Payment System for Skilled Nursing Facilities Needs to be Reevaluated (September 2015)



## CMS Goals

- Address financial incentives described by MedPAC, OIG, and CMS
- Limit complexity of the new payment system
- Payment model that will compensate facilities based on complexity of the patient, and pay for performance.

## PDPM

- Considers patients' total clinical profile & cognitive & functional status
- Considers individual therapy disciplines
- Is NOT driven by therapy minutes



## CMS Proposes

- Complete change of the Medicare A reimbursement system (replacing RUGs-IV)
- On April 27, 2018 CMS released a SNF PPS Proposed Rule for FY 2019 that included the PDPM for FY 2020
- Comments are due to CMS by June 26, 2018 by 5pm

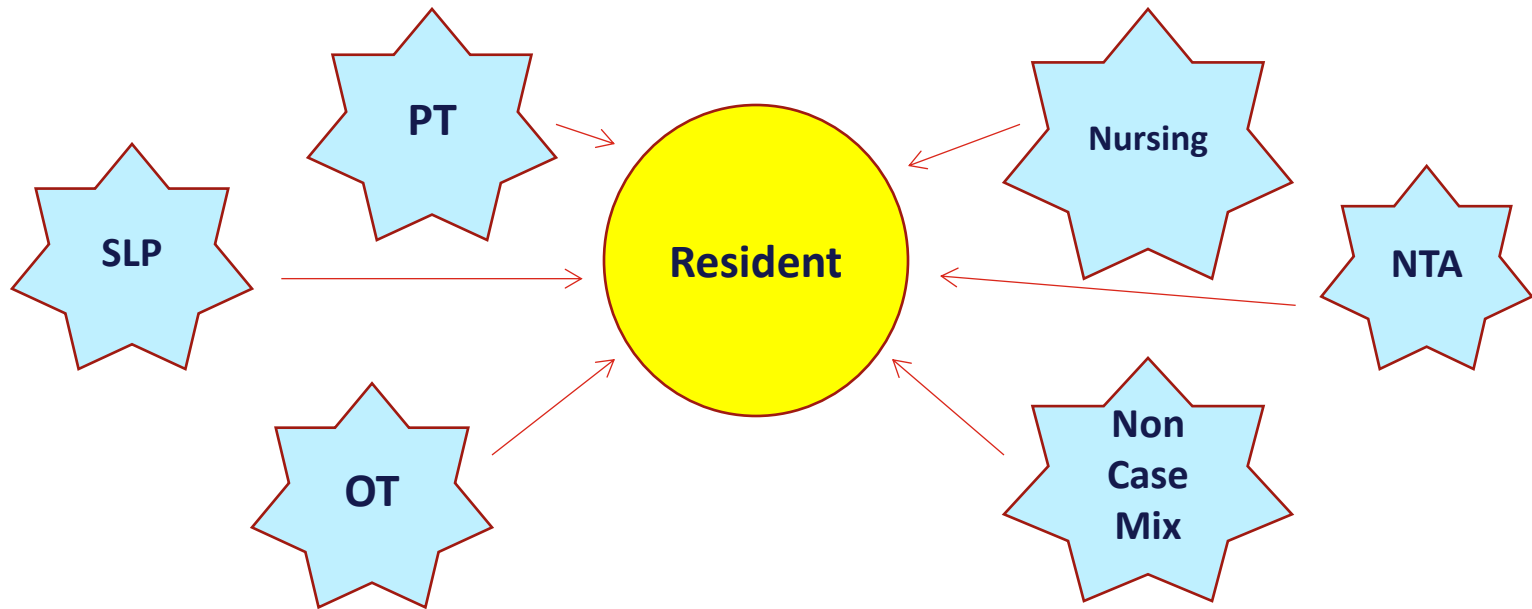
**TABLE 12: FY 2019 PDPM Unadjusted Federal Rate Per Diem--Urban<sup>3</sup>**

Rate Component	Nursing	NTA	PT	OT	SLP	Non-Case-Mix
Per Diem Amount	\$103.46	\$78.05	\$59.33	\$55.23	\$22.15	\$92.63

**TABLE 13: FY 2019 PDPM Unadjusted Federal Rate Per Diem--Rural**

Rate Component	Nursing	NTA	PT	OT	SLP	Non-Case-Mix
Per Diem Amount	\$98.83	\$74.56	\$67.63	\$62.11	\$27.90	\$94.34

# Patient Driven Payment Model



## PT and OT Components

In PDPM, the PT and OT Components are calculated together but paid separately based on the case-mix.

- Primary reason for skilled stay
- Function score
- I8000 ICD-10-CM will classify the patient into one of the 4 Clinical Categories.
- Multiple ICD-10-CM codes will point to more than one Clinical Category
- In these cases, the Clinical Category will be further delineated by including the ICD-10-PCS (procedure code) on the second line of I8000



## 4 PT/OT Clinical categories

- Major Joint Replacement or Spinal Injury
- Non-Orthopedic Surgery and Acute Neurologic
- Other Orthopedic
- Medical Management

## PT and OT Functional Score

CMS Proposes to use 10 Section GG items to calculate the PT and OT Function Score. • Two bed mobility items • Three transfer items • One eating items • One toileting item • One oral hygiene item • Two walking items

GG goes from a 6-point scale (with 3 not attempted codes) to 0-4 point scale for Function Score purpose- done by software.



## PT and OT Function Score (Except walking)

	Response	Score
05,06	Set-up assistance, Independent	4
04	Supervision or touching assistance	3
03	Partial/moderate assistance	2
02	Substantial/maximal assistance	1
01,07,09, 88	Dependent, Refused, N/A, Not Attempted	0

## PT and OT Function Score for walking item

	Response	Score
05, 06	Set-up assistance, Independent	4
04,03	Supervision or touching assistance	3
03	Partial/moderate assistance 2	2
02	Substantial/maximal assistance	1
01,07,09,88	Dependent, Refused, N/A, Not Attempted, Resident Cannot Walk	0



## Proposed Section GG Items Included in PT and OT Function Measure

	Section GG Item	Score
GG0130A1	Self-care: Eating	0-4
GG0130B1	Self-care: Oral Hygiene	0-4
GG0130C1	Self-care: Toileting Hygiene	0-4
GG0170B1 GG0170C1	Mobility: Sit to lying Mobility: Lying to sitting on side of bed	0-4 (avg. of 2 items)
GG0170D1 GG0170E1 GG0170F1	Mobility: Sit to stand Mobility: chair/bed-to-chair transfer Mobility: Toilet transfer	0-4 (avg. of 3 items)
GG0170J1 GG0170K1	Mobility: Walk 50 feet with 2 turns Mobility: Walk 150 feet	0-4 (avg of 2 items)

## PT and OT Case-mix Classification Groups

Clinical Category	Section GG Function score	PT OT Case Mix Group	PT Case Mix Index	OT Case Mix Index
Major Joint Replacement or Spinal Surgery	0-5	TA	1.53	1.49
	6-9	TB	1.69	1.63
	10-23	TC	1.88	1.68
	24	TD	1.92	1.53
Other Orthopedic	0-5	TE	1.42	1.41
	6-9	TF	1.61	1.59
	10-23	TG	1.67	1.64
	24	TH	1.16	1.15



## PT and OT Case-mix Classification Groups- continued

Clinical Category	Section GG Function Score	PT OT Case Mix Group	PT case Mix Index	OT Case Mix Index
Medical Management	0-5	T1	1.13	1.17
	6-9	TJ	1.42	1.44
	10-23	TK	1.52	1.54
	24	TL	1.09	1.11
Non-Orthopedic Surgery and Acute Neurologic	0-5	TM	1.27	1.30
	6-9	TN	1.48	1.49
	10-23	TO	1.55	1.55
	24	TP	1.08	1.09

## SLP Component

5 Characteristics that will impact the SLP Component

- Acute Neurologic or Non-Neurologic
- SLP-Related Comorbidity
- Cognitive Impairment
- Mechanically Altered Diet
- Swallowing Disorder

## Proposed SLP-related Comorbidities

Aphasia	Laryngeal cancer
CVA, TIA or Stroke	Apraxia
Hemiplegia or Hemiparesis	Dysphagia
Traumatic Brain Injury	ALS
Tracheostomy Care (while a resident)	Oral Cancers
Ventilator or Respirator (while a resident)	Speech and Language Deficits



## Cognitive Functional Score (CFS)

CMS Proposes blending BIMS and CPS to get a CFS score

CFS Cognitive Scale	BIMS Score	CPS Score
1. Cognitively Intact	12-15	0
2. Mildly Impaired	8-12	1-2
3. Moderately Impaired	0-7	3-4
4. Severely Impaired	-	5-6



## 12 SLP Case-Mix Groups

SLP Component			
Presence of Acute Neurologic Condition, SLP-Related Comorbidity, or Cognitive Impairment	Mechanically Altered Diet or Swallowing Disorder	SLP Case Mix Group	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
All three	Neither	SJ	2.98
All three	Either	SK	3.69
All three	Both	SL	4.19

## 25 Nursing Indexes

- CMS Proposes to use a modified version of the RUG-IV Nursing Categories
  - CMS reduced the number of Nursing RUGs from 43 to 25.
  - Nursing will also use Section GG to capture the Nursing Function Score
  - Using the same methodology as for the PT and OT component.
- 0-4 point scale
  - Average bed mobility and transfers

## Section GG items for Nursing

Section GG item		Score
GG0130A1	Self-care: Eating	0-4
GG0130C1	Self-care: Toileting Hygiene	0-4
GG0170B1	Mobility: Sit to lying	0-4 (avg of 2 items)
GG0170C1	Mobility: Lying to sitting on side of bed	
GG0170D1	Mobility: Sit to stand	0-4 (avg of 3 items)
GG0170E1	Mobility: chair/bed-to- chair transfer	
GG0170F1	Mobility: Toilet transfer	



## PDPM Nursing Index - 25 Indexes

RUG-IV Nursing RUG	Extensive Services	Clinical Condition	Depression	# of Restorative Nursing Services	GG-based Function Score	PDPM Nursing Case-Mix Group	Nursing Case-Mix Index
ES3	Trach and Vent	---	---	---	0-14	ES3	4.04
ES2	Trach and Vent	---	---	---	0-14	ES2	3.06
ES1	Infection	---	---	---	0-14	ES1	2.91
HE2/HD2	---	Serious medical condition*	Yes	---	0-5	HDE2	2.39
HE1/HD1	---	Same	No	---	0-5	HDE1	1.99
HC2/HB2	---	Same	Yes	---	6-14	HBC2	2.23
HC1/HB1	---	Same	No	---	6-14	HBC1	1.85

\*e.g. septicemia, respiratory therapy and more – see full chart

Partial Table 26 – CMS – 1696-P

## HIV add on

- Due to significant increase in nursing cost to care for HIV/AIDS patients, the facility will get an 18% increase in the Nursing Component
- This would be applied based on the presence of ICD-10-CM code B20 on the SNF claim



## 50 Conditions & Extensive Services Used for NTA Classification

Condition/Extensive Services	Source	Points
HIV/Aids	SNF Claim	8
Parenteral IV feeding: High	MDS Item 00100H2	7
Special Treatments/ Programs: IV Meds Post admit	MDS Item 00100I2	5
Special Treatments/ Programs: Vent or Resp. Post-admit	MDS Item 0010F2	4
Endocarditis	MDS Item I8000	1

# NTA Case Mix Classification Groups

NTA Score Range	NTA 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



## Non Case-Mix Component

- Flat rate
- Non case-mix adjusted

## Variable Per Diem Adjustment Factor

Adjustment Factor

- PT and OT: After day 20, drop 2% every 7 days.
- If the patient is in the facility on days 98-100, the adjustment factor for PT and OT is 0.76.

### NTA Adjustment Factor

Medicare Payment Days	Adjustment Factor
1-3	3.0
4-100	1.0





Assessments (MDS) to be completed

**Only three types of assessments**

- 5-Day Scheduled Assessment
- Interim Payment Assessment (IPA)
- SNF Part A Discharge Assessment

**5-Day Scheduled Assessment**

Grace Days

- Remove the label "grace days" so that the 5-day PPS schedule will be days 1-8 versus days 1-5 with grace days of 6-8.



# Interim Payment Assessment

## Requirements

- There is a change in the resident's classification in at least one of the first tier classification criteria for any of the components seen under the proposed PDPM such that the resident would be classified into a classification group for that component that differs from that provided by the 5 day scheduled PPS assessment, and the change in classification group results in a change in payment either in one particular payment component or in the overall payment for the resident; and
- The change(s) are such that the resident would not be expected to return to his or her original clinical status within a 14-day period

## PPS Discharge Assessment

- Must be completed on all PPS discharges
- Adding a modified Section 0 to this assessment



## PDPM Modes of Therapy

- Group and Concurrent Therapy Limits to 25% combined
- Most services provided on an individual basis
- Group and Concurrent minutes counted in full versus  $\frac{1}{4}$  and  $\frac{1}{2}$  respectively
- CMS will use the Discharge Assessment to monitor Group and Concurrent utilization.
- Should a provider exceed this limitation, a non-fatal warning edit will appear on the validation report after submission to the QIES ASAP system
- CMS may consider future proposals to address abuses of this policy or flag providers for additional review.

# Hip Replacement Example

Mr. John had a hip replacement and was sent for rehab to our SNF. His case-mix groups are as follows.

- PT and OT case-mix group - TA
- SLP case-mix group - SA
- Nursing PDPM case-mix group - CDE2
- Non-therapy ancillary - NE
- Non case-mix flat rate



# Hip Replacement Example

Case-Mix Group	TB	TB	SA	CDE2	NE	
Case-Mix Index	1.69	1.63	0.68	1.86	0.96	
Urban	PT	OT	SLP	Nursing	NTA	Non Case Mix
Per diem	\$59.33	\$55.23	\$22.15	\$103.46	\$78.05X3	\$92.63
Sub Total	\$100.27	\$90.02	\$15.06	\$192.44	\$224.78	\$92.63

Days	Per Diem
1-3	\$715.20
4-20	\$565.35
21-27	\$561.54

## Medically Complex Example

Ms. Betty is very ill with multiple comorbidities (joint replacement, dysphagia and mechanically altered diet, septicemia, depressed, 0-5 on GG, 12+ on NTA):

- PT and OT case-mix group - TA
- SLP case-mix group - SC
- Nursing PDPM case-mix group - HDE2
- Non-therapy ancillary - NA
- Non case-mix flat rate

## Medically Complex Example

<b>Case-mix group</b>	TA	TA	SC	HDE2	NA	
<b>Case-mix Index</b>	1.53	1.49	2.66	2.39	3.25	
<b>Urban</b>	PT	OT	SLP	Nursing	NTA	Non case-mix
<b>Per diem</b>	\$59.33	\$55.23	\$22.15	\$103.46	\$78.05x3	\$92.63
<b>Subtotal</b>	\$90.77	\$82.29	\$58.91	\$247.26	\$760.98	\$92.63

Days	Per Diem
1-3	\$1332.87
4-20	\$825.54
21-27	\$822.08



## Diagnosis is Key

- Primary Diagnosis or reason for treatment in the SNF
- Accurate, supportive documentation & ICD-10 coding required
- Therapy, MDS & billing must align
- Coordination of interdisciplinary documentation
- “Triple Check Process” assures accuracy



# PDPM Defined

## Need for Outcomes

Clinical innovation for quality care/outcomes

## Important Coding Considerations

ICD10 coding timing & accuracy

Functional scoring process

Cognitive scoring process

## Build a Plan

Align your resources

Set your timeline

Compliance considerations



Questions?