Patient-Driven Payment Model(PDPM)

Janine Finck-Boyle, MBA/HCA, LNHA
Vice President of Regulatory Affairs
Fall 2018

Objectives

- List the five(5) case mix components
- Describe the correlation between MDS 3.0 Section GG and the PDPM
- Identify the associated changes with the interim payment assessment

LeadingAge

Good Bye to RUGS - IV

From proposed RCS-1 to PDPM

LeadingAge

And QUOTE:

- Skilled Nursing Facility's (SNF) Prospective Payment System (PPS) Final Rule in the Federal Register - According to CMS, "the final rule also modernizes Medicare through innovation in SNF, meaningful quality measure reporting, reduced paperwork, and reduced administrative costs".

Key Dates

July 31st, 2018 – Final Rule

October 1st, 2018
PDPM replaces RUGS-IV

October 1st, 2019
Implementation Date

LeadingAge

Patient-Driven Payment Model Goals

- Designed to drive person centered care
- Recognize the varied needs or patient
- Focus on the differences in clinical characteristics
- Needs and goals of the whole person
  * opposed to measuring the volume of patient services(therapy)

Patient-Driven Payment Model Goals (continued)

- Create a separate payment component for non-therapy ancillary(NTA) services
- Compensate SNFs accurately
- Address concerns over incentives to delivery therapy
- Maintain simplicity

LeadingAge

STRATEGIC DIFFERENCES

LeadingAge

Patient-Driven Care under PDPM(CMS.gov)

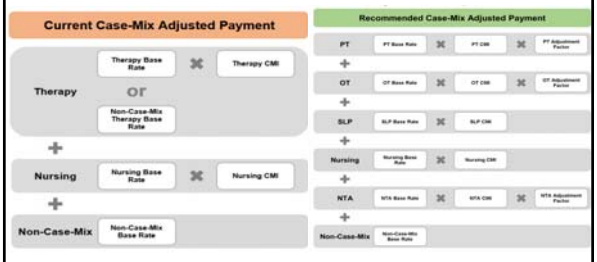
LeadingAge

KEY DIFFERENCES

Five (5) Case-Mix categories instead of Two(2)

LeadingAge

RUG-IV vs. Patient Driven Payment Model



LeadingAge

Simplified Classifications

- RUG-IV : Residents assigned to 1 of 66 categories based on services performed
- PDPM: Residents will be assessed based on 5 case-mix adjusted components
- A Resident profile will be some combination of these 5 categories as well as non-case mix

LeadingAge

Components of PDPM

- Physical Therapy (PT)
- Occupational Therapy (OT)
- Speech Language Pathology (SLP)
- Need for Non-Therapy Ancillary (NTA)
- Nursing
- **6th** Non-Case Mix for overhead

LeadingAge

The Component Details

- The PDPM approach provides a single payment based on the sum of these individual classifications.
- Each separate component will be assigned a daily rate
- Rate based on the component's CMI
- Add all together for the resident's daily rate

LeadingAge

PT and OT

- Separate in PDPM
- Full component rate for days 1-20
- For lengths of stay over 20 days, per diem rates for PT and OT will decline by 2% every seventh day.
- PT and OT use a function score derived from 10 ADL activities
- Assessed in Section GG of the MDS
- 25% limit on group and concurrent therapy
- 75% if therapy must be individualized

LeadingAge

Relevant Predictors of PT/OT Costs

- Clinical Reason for Stay
- Functional Status
- Clinical reason for the patient's skilled stay into one of four clinical categories
- Four categories were created when CMS reduced a set of 10 inpatient clinical categories
- (CMS belief) Capture the range of general resident types potentially found in a SNF

PDPM Clinical Categories: PT and OT

- **Major joint replacement/spinal surgery**
- **Non-orthopedic surgery and acute neurologic**
- **Other orthopedic**
  - Non-surgical orthopedic/ musculoskeletal
  - Orthopedic surgery
- **Medical Management**
  - Acute infections
  - Cancer
  - Pulmonary
  - Cardiovascular and coagulation

LeadingAge

PT and OT Component

- Primary Diagnosis Clinical Category
  - Admission primary diagnosis
  - Use only the ICD-10 code listed first
  - 18000A – report primary reason for stay
  - *May change if there was a surgical procedure during the in-patient hospital stay*
  - *Checkboxes in J2000

PT and OT Functional Status

- Section GG: Functional Abilities and Goals
- Data to determine the Function Score.
- Functional Score will be determined by four late loss ADLs and two early loss ADLs
- Includes two bed mobility items, three transfer items, one eating item, one toileting item, one oral hygiene item, and two walking items

LeadingAge

Section GG Function Score (ADLs)

PT and OT ADL Items		
Section GG Items		Score
GG0130A1	Self-care Eating	0-4
GG0130B1	Self-care Oral hygiene	0-4
GG0130C1	Self-care Toileting hygiene	0-4
GG0170B1	Mobility: Sit to lying	0-4 (avg. of 2 bed mobility items)
GG0170C1	Mobility: Lying to sitting on side of bed	
GG0170D1	Mobility: Sit to stand	0-4 (avg. 3 transfer items)
GG0170E1	Mobility: Chair/bed-to-transfer	
GG0170F1	Mobility: Toilet transfer	
GG0170I1	Mobility: Walk 50 feet with 2 turns	0-4 (avg. of 2 waking items)
GG0170K1	Mobility: Walk 150 feet	

LeadingAge

PT and OT Component: Section GG Responses

- Independent or Set-Up — Function Score 4
- Supervision or touching assistance — Function Score 3
- Partial/Moderate assistance — Function Score 2
- Substantial/maximal assistance — Function Score 1
- Dependent, refused, N/A or cannot walk — Function Score 0

Case-Mix Classification

- Total Function Score places resident in appropriate case-mix classification group
- Removed cognitive status as a determinant of the PT and OT case-mix classification
- Primary clinical reason for SNF stay
- Function Score into account
- Classify a patient into a PT and OT Case-Mix Classification Group.

TABLE 21: 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
Major Joint Replacement or Spinal Surgery	6-9	TB	1.69	1.61
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	1.50
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 and Acute Neurologic	0-5	TM	1.27	1.30
Non-Orthopedic Surgery and Acute Neurologic	6-9	TN	1.48	1.49
Non-Orthopedic Surgery and Acute Neurologic	10-23	TO	1.55	1.55
Non-Orthopedic Surgery and Acute Neurologic	24	TP	1.08	1.09

Speech-Language Pathology Component

- SLP costs per day are predicted by a different set of independent variables
- SLP services are case-mix adjusted with a separate payment component from PT and OT

LeadingAge

Relevant Predictors of SLP Costs

- Clinical reasons for the SNF stay
- Presence of a swallowing disorder **or** the need for a mechanically altered diet;
- The presence of an SLP-related comorbidity or cognitive impairment.

LeadingAge

SLP Case-Mix Classification

- Primary clinical reason for the SNF stay is either:

"Acute Neurologic" or "Non-Neurologic"

- Second step is determining whether the resident has a SLP-related comorbidity found to be relevant in predicting resident SLP costs

LeadingAge

TABLE 22: 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

SLP Case-Mix Classification

- Cognitive Functional Scale
- Brief Interview for Mental Status (BIMS) and Cognitive Performance Scale (CPS) to identify cognitive status for the SLP Case-mix Classification
- CMS has moved a score of "0" on the CPS to equal "Cognitively Intact" vs. "Mildly Impaired"

The Other Drivers of SLP Costs

- Presence of a swallowing disorder and/or the need for a mechanically altered diet.
- Determining whether neither, either or both are present would be the final step in selecting one of the 12 SLP case mix categories appropriate for the resident

TABLE 23: SLP Case-Mix Classification Groups

Presence of Acute Neurologic Condition, SLP-Related Comorbidity, or Cognitive Impairment	Mechanically Altered Diet or Swallowing Disorder	SLP Case-Mix Group	SLP Case-Mix Index
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

Nursing Component

- Modified traditional RUG-IV methodology
- Decreasing the possible RUGs from 43 to 25
- In the traditional RUG-IV nursing RUG methodology, the ADL score was derived from Section G of the MDS
- Under PDPM, Section GG will be used to determine a Function Score
- Social services is included in Nursing

Major Categories

RUG IV Nursing RUG
- Extensive Services
- Special Care High
- Special Care Low
- Clinically Complex
- Behavioral symptoms and cognitive performance
- Reduced physical function

- 18 percent increase in the nursing component is provided for residents with HIV/AIDS
- Uses fewer ADL items
- Sum ADL scores will yield 0 – 16 points
- Lower score – more dependent

Section GG Function Score - ADLs

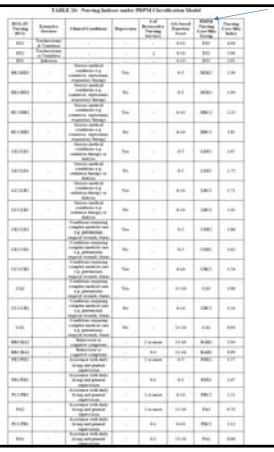
Nursing ADL Items		
Section GG Items		Score
GG0130A1	Self-care Eating	0-4
GG0130C1	Self-care Toileting hygiene	0-4
GG0170B1	Mobility: Sit to lying	0-4 (avg. of 2 bed mobility items)
GG0170C1	Mobility: Lying to sitting on side of bed	
GG0170D1	Mobility: Sit to stand	0-4 (avg. 3 transfer items)
GG0170E1	Mobility: Chair/bed-to-transfer	
GG0170F1	Mobility: Toilet transfer	

LeadingAge

Nursing: Section GG Responses

- Independent or Set-Up — Function Score 4
- Supervision or touching assistance — Function Score 3
- Partial/Moderate assistance — Function Score 2
- Substantial/maximal assistance — Function Score 1
- Dependent, refused, N/A or cannot walk — Function Score 0

LeadingAge



LeadingAge

Non-Therapy Ancillary(NTA) Component

- Non-Therapy Ancillary (NTA) costs such as drugs, laboratory services, respiratory therapy and medical supplies are no longer included in the nursing component as they are in the current methodology, but are rather split out as a separate component with a separate and distinct case mix adjustment based on resident characteristics.

LeadingAge

NTA Costs

- 50 selected extensive services and conditions predicted of costs were each assigned a point value
- Points correspond to each condition present, or extensive service required = total point score
- NTA component adequately reflects differences in NTA costs as well as multiple comorbidities

LeadingAge

Condition/Extensive Service	Source	Points
HIV/AIDS	SNF Claim	8
Parenteral IV Feeding: Level High	MDS Item I0710A1	7
	K0710A2	
Special Treatments Programs: Intravenous Medication Post-admit Code	MDS Item O0110I2	4
Special Treatments Programs: Ventilator or Respirator Post-admit Code	MDS Item O0110F2	4
Parenteral IV feeding: Level Low	MDS Item I0710A1	3
	K0710A2, K0710B2	
Long Tracheostomy Status	MDS Item I0500	3
Special Treatments Programs: Tracheotomy Post-admit Code	MDS Item O0110J2	3
Major Organ Transplant Status, Except Lung	MDS Item I0600	3
Active Diagnosis: Multiple Sclerosis Code	MDS Item I1700	3
Opportunistic Infections	MDS Item I0300	3
Active Diagnosis: Asthma, COPD, Chronic Lung Disease Code	MDS Item I4700	3
Bone Joint Muscle Infections/Necrosis - Except Aseptic Necrosis of Bone	MDS Item I0000	3
Chronic Myeloid Leukemias	MDS Item I0400	3
Wound Infection Code	MDS Item I2300	3
Active Diagnosis: Diabetes Mellitus (DM) Code	MDS Item I2900	3
Endocarditis	MDS Item I0000	3
Immune Disorders	MDS Item I0600	3
End-Stage Liver Disease	MDS Item I0000	3
Other Foot Skin Problems: Diabetic Foot Ulcer Code	MDS Item M1040B	3
Neurologic and Complete	MDS Item I0000	3
Cystic Fibrosis	MDS Item I0000	3
Special Treatments Programs: Tracheostomy Care Post-admit Code	MDS Item O0110E2	3
Active Diagnosis: Multi-Drug Resistant Organism (MDRO) Code	MDS Item I2700	3
Special Treatments Programs: Isolation Post-admit Code	MDS Item O0110D2	3
Specified Hereditary Metabolic Immune Disorders	MDS Item I0000	3
Morbid Obesity	MDS Item I0000	3
Special Treatments Programs: Radiation Post-admit Code	MDS Item O0110B2	3
Highest Stage of Unhealed Pressure Ulcer - Stage 4	MDS Item M0300D2	3
Psoriatic Arthropathy and Systemic Sclerosis	MDS Item I0000	3
Chronic Pancreatitis	MDS Item I0000	3
Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	MDS Item I0000	3
Other Foot Skin Problems: Foot Infection Code, Other Open Lesion on Foot	MDS Item M1040A,	3

Condition/Extensive Service	Source	Points
Code, Except Diabetic Foot Ulcer Code	M1040B, M1040C	3
Complications of Specified Implanted Device or Graft	MDS Item I0000	3
Bladder and Bowel Appliances: Intermittent Catheterization	MDS Item I0310D2	3
Inflammatory Bowel Disease	MDS Item I0000	3
Aseptic Necrosis of Bone	MDS Item I0000	3
Special Treatments Programs: Suctioning Post-admit Code	MDS Item O0110J2	3
Cardio-Respiratory Failure and Shock	MDS Item I0000	3
Myelodysplastic Syndromes and Myelofibrosis	MDS Item I0000	3
Systemic Lupus Erythematosus, Other Connective Tissue Disorders, and Inflammatory Spondyloarthro...	MDS Item I0000	3
Diabetic Retinopathy - Except Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	MDS Item I0000	1
Nutritional Approaches While a Resident: Feeding Tube	MDS Item K0510B2	1
Severe Skin Burn or Condition	MDS Item I0000	1
Intractable Epilepsy	MDS Item I0000	1
Active Diagnosis: Malnutrition Code	MDS Item I5400	1
Disorders of Immunity - Except: Rel/CID, Immune Disorders	MDS Item I0000	1
Cirrhosis of Liver	MDS Item I0000	1
Bladder and Bowel Appliances: Ostomy	MDS Item I0310C	1
Respiratory Arrest	MDS Item I0000	1
Pulmonary Fibrosis and Other Chronic Lung Disorders	MDS Item I0000	1

LeadingAge

NTA Case-Mix Classifications Groups

- Six NTA groupings
- Residents are categorized into NTA case mix group based on their total NTA score
- Payment includes the base rate adjusted by the category case mix weight

LeadingAge

TABLE 28: 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

LeadingAge

Non Case-Mix Component

- Flat rate component
- Covering room and board, capital expense and administrative overhead
- Combine all 6 components:

PT, OT, SLP, Nursing, NTA and Non Case-Mix for the base rate – multiply each component by respective case mix = daily rate

LeadingAge

Variable Per Diem Adjustment

- Decreasing costs during a resident stay
- Two separate decreasing adjustments
  - Day 1-20
  - PT/OT base rate x CMI x 1.00 adjustment factor
  - Day 1-3
  - NTA multiple of 3

**SLP costs do not vary as a SNF stay progresses

LeadingAge

TABLE 30: Variable Per-diem Adjustment Factors and Schedule – PT and OT

Medicare Payment Days	Adjustment Factor
1-20	1.00
21-27	0.98
28-34	0.96
35-41	0.94
42-48	0.92
49-55	0.90
56-62	0.88
63-69	0.86
70-76	0.84
77-83	0.82
84-90	0.80
91-97	0.78
98-100	0.78

TABLE 31: Variable Per-diem Adjustment Factors and Schedule – NTA

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

LeadingAge

Less Frequent PPS Assessments

- 5-Day SNF PPS Assessment
- Classify a resident under the PDPM model
- Optional Interim Payment Assessment(IPA)
- Required Discharge Assessment

LeadingAge

PPS Assessment Schedule

- No longer using therapy minutes

TABLE 33: PPS Assessment Schedule under PDPM

Medicare MDS assessment schedule type	Assessment reference date	Applicable standard Medicare payment days
5-day Scheduled PPS Assessment	Days 1-8	All covered Part A days until Part A discharge (unless an IPA is completed).
Interim Payment Assessment (IPA)	No later than 14 days after change in resident's first tier classification criteria is identified	ARD of the assessment through Part A discharge (unless another IPA assessment is completed).
PPS Discharge Assessment	PPS Discharge: Equal to the End Date of the Most Recent Medicare Stay (A2400C) or End Date	N/A

Interim Payment Assessment(IPA)

- Reclassify a resident from the initial classification determined by the 5-day assessment
- Change in the resident's first tier classification criteria for any component
- Results in a payment change AND
- Resident is not expected to return to their original clinical status within 14 days.

Interrupted Stay Policy

- In the interrupted stay policy, a resident's PPS calendar will resume with the next PPS day if the resident returns to the facility within 3 midnights.
- There would be no new 5-day Assessment, nor would the Variable Per Diem Adjustment Factor be reset.
- The resident would return and the payment schedule would continue on the next PPS day continuing with the Variable Per Diem Adjustment Factors in place.
- If the resident returns on day 4 or later or is sent to a different facility, then the Variable Per Diem Adjustment Factors are to be reset to day 1 and a 5-day assessment would be required.

EDUCATION OPPORTUNITIES

Educational Opportunities and Resources

- The Learning Hub
- Nursing Home List serv
- E-Newsletters
- Website – articles, analysis
- CMS website
- https://www.cms.gov/newsroom/fact-sheets/medicare-proposes-fiscal-year-2019-payment-policy-changes-skilled-nursing-facilities

Preparation: To Do List

- Review regulatory and compliance requirements for PDPM
- Review your CMS projected Impact File
- Revisit your Facility Assessment – clinical capabilities
- Quantify the impact of PDPM
- Meet with your Therapy provider
- Review your MDS department and scheduling
- Revise care plans for key patient types to ensure compliance
- Staff a certified ICD-10 coder(proficiency)
- Pilot new care plans and documentation requirements

Contact: Jfinck-Boyle@leadingage.org

LEADINGAGE.ORG **Thank you!**