# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

**Kansas City, Missouri**
**January 24, 2019**

Missouri Alliance for HOME CARE

HOMECARE & HOSPICE
National Association for Home Care & Hospice

Forum of State Associations

HHFMA
Home Care & Hospice
Financial Managers Association

Home Care Technology Association of America

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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

# PDGM OVERVIEW

Mark Sharp, BKD

HOMECARE & HOSPICE National Association for Home Care & Hospice | Forum of State Associations | HHFMA Home Care & Hospice Financial Managers Association | Home Care Technology Association of America

# CY2019 Final Medicare Home Health Rate Rule…and Much More

- Published October 31, 2018
- https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-24145.pdf
- Includes:
  - CY 2019 rates (2.2% increase over 2018)
  - Rural add-on
  - HHVBP demonstration program fine tuning
  - Quality measures modifications
  - 2020 Payment Model Reform
  - Home Infusion Therapy benefit
  - Physician certification/recertification documentation standards

# Medicare Home Health Payment Reform: 2020

- Planning ongoing for several years
- New model intended to address:
  - Access to care for vulnerable patients
  - Elimination of therapy volume as payment rate determinant
    - Longstanding MedPAC, CMS, Congressional, and Industry concerns

## Bipartisan Budget Act of 2018 (BiBA)

- Mandates payment model reform
  - 2020
  - Budget neutral transition
  - Behavioral adjustment guardrails
  - Stakeholder involvement
  - Prohibits therapy volume thresholds for payment amount
  - 30-day payment unit
- MBI (inflation update) set at 1.5% in 2020

## PDGM Model: HHGM Revisited

- Patient-Driven Groupings Model (PDGM)
  - 432 payment groups
  - Episode timing: "early" or "late"
  - Admission source: community or institutional
  - Six Clinical groupings (7 subgroups in MMTA)
  - Functional level (OASIS based)
  - Comorbidity adjustment: secondary diagnosis based

# PDGM NOTABLES

- Therapy volume domain eliminated
- Cost per minute + NRS approach to resource use
- 30 day periods within 60 day episode
- Regression analysis (2017 base)

# PDGM NOTABLES

- Budget Neutral transition
- Behavioral Adjustments (6.42%???)
  - Diagnosis coding
  - Comorbidities
  - LUPA avoidance
- $1753.68 "unit of payment" ($1607 w/HHGM) if at 2019 (2020 TBD)
- LUPA: 2-6 visits @ 10th percentile value of total visits in payment group
- RAP continues except for new HHAs
- Outlier based on 30 day unit of payment

# PDGM Behavioral Adjustment/Rates: NPRM

| Behavioral Assumption | 30-day Budget Neutral (BN) Standard Amount | Percent Change from N Behavioral Assumptions |
|---|---|---|
| **No Behavioral Assumptions** | $1,873.91 | |
| **LUPA Threshold** (1/3 of LUPAs 1-2 visits away from threshold get extra visits and become case-mix adjusted) | $1,841.05 | -1.75% |
| **Clinical Group Coding** (among available diagnoses, one leading to highest payment clinical grouping classification designated as principal) | $1,793.69 | -4.28% |
| **Comorbidity Coding** (assigns comorbidity level based on comorbidities appearing on HHA claims and not just OASIS) | $1,866.76 | -0.38% |
| **Clinical Group Coding + Comorbidity Coding** | $1,786.54 | -4.66% |
| **Clinical Group Coding + Comorbidity Coding + LUPA Threshold** | $1,753.68 | -6.42% |

# PDGM Measure: Timing of Care

TABLE 34: AVERAGE RESOURCE USE BY TIMING (30-DAY PERIODS)

| Timing | Average Resource Use | Frequency of Periods | Percent of Periods | Standard Deviation of Resource Use | 25th Percentile of Resource Use | Median Resource Use | 75th Percentile of Resource Use |
|---|---|---|---|---|---|---|---|
| Early 30-Day Periods | $2,113.66 | 2,785,039 | 32.3% | $1,236.30 | $1,232.23 | $1,866.79 | $2,707.04 |
| Late 30-Day Periods | $1,311.73 | 5,839,737 | 67.7% | $1,125.44 | $534.82 | $987.94 | $1,735.69 |
| Total | $1,570.68 | 8,624,776 | 100.0% | $1,221.38 | $679.12 | $1,272.18 | $2,117.47 |

# PDGM Measure: Source of Admission

**TABLE 37: AVERAGE RESOURCE USE BY ADMISSION SOURCE (14 DAY LOOK-BACK; 30 DAY PERIODS) ADMISSION SOURCE: COMMUNITY, INSTITUTIONAL, AND OBSERVATIONAL STAYS**

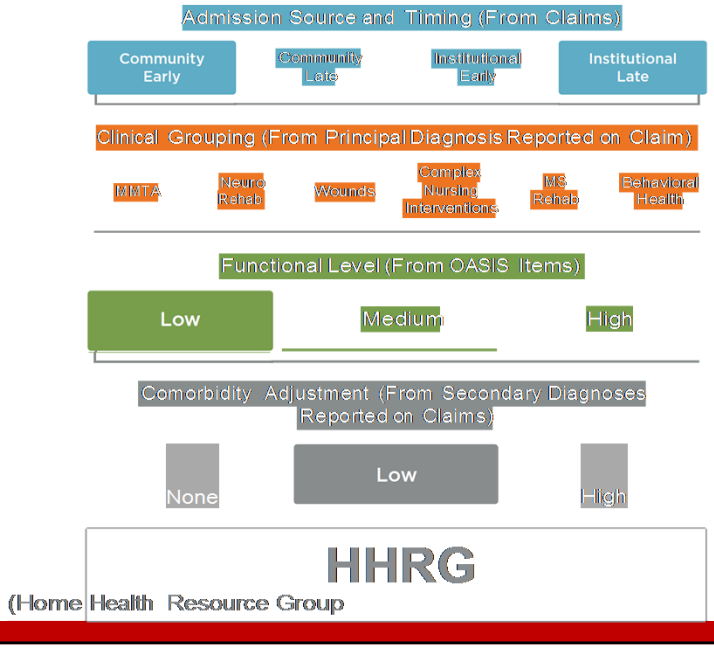
| | Average Resource Use | Number of 30-day Periods | Percent of 30-day Periods | Standard Deviation of Resource Use | 25th Percentile of Resource Use | Median Resource Use | 75th Percentile of Resource Use |
|---|---|---|---|---|---|---|---|
| Community | $1,350.90 | 6,242,043 | 72.4% | $1,114.94 | $564.31 | $1,048.86 | $1,799.27 |
| Institutional | $2,171.00 | 2,215,971 | 25.7% | $1,303.24 | $1,246.05 | $1,920.06 | $2,791.91 |
| Observational Stays | $1,820.06 | 166,762 | 1.9% | $1,180.96 | $960.15 | $1,589.08 | $2,399.68 |
| Total | $1,570.68 | 8,624,776 | 100.0% | $1,221.38 | $679.12 | $1,272.18 | $2,117.47 |

# PDGM Measure: Source of Admission

**TABLE 35: AVERAGE RESOURCE USE BY ADMISSION SOURCE (14 DAY LOOK-BACK; 30 DAY PERIODS) ADMISSION SOURCE, COMMUNITY AND INSTITUTIONAL ONLY**

| | Average Resource Use | Frequency of Periods | Percent of Periods | Standard Deviation of Resource Use | 25th Percentile of Resource Use | Median Resource Use | 75th Percentile of Resource Use |
|---|---|---|---|---|---|---|---|
| Community | $1,363.11 | 6,408,805 | 74.3% | $1,119.20 | $570.26 | $1,062.05 | $1,817.75 |
| Institutional | $2,171.00 | 2,215,971 | 25.7% | $1,303.24 | $1,246.05 | $1,920.06 | $2,791.91 |
| Total | $1,570.68 | 8,624,776 | 100.0% | $1,221.38 | $679.12 | $1,272.18 | $2,117.47 |

FIGURE 4: STRUCTURE OF THE PDGM




# PDGM ESTIMATED IMPACTS

| | Number of Agencies | PDGM |
|---|---|---|
| Free-Standing/Other Vol/NP | 1,055 | 1.8% |
| Free-Standing/Other Proprietary | 8,377 | -0.9% |
| Free-Standing/Other Government | 252 | 0.6% |
| Facility-Based Vol/NP | 590 | 2.8 % |
| Facility-Based Proprietary | 64 | 4.0% |
| Facility-Based Government | 182 | 3.9% |

# PDGM Estimated Impacts

| Facility Location: Region of the Country (Census Region) | | |
|---|---|---|
| New England | 355 | 2.0% |
| Mid Atlantic | 480 | 2.4% |
| East North Central | 2,019 | -1.3% |
| West North Central | 706 | -4.2% |
| South Atlantic | 1,647 | -5.1% |
| East South Central | 423 | 1.0% |
| West South Central | 2,753 | 4.6% |
| Mountain | 679 | -5.0% |
| Pacific | 1,417 | 3.8% |
| Outlying | 41 | 10.6% |

# Concerns/Issues

- Impact on therapy patients
  - Regression-based methodology includes therapy volume
  - Change in costing methodology reduces case weights, i.e. payment amounts
- Incentives to focus on inpatient discharges and avoid community admissions
- LUPA structure change
- Clinical groupings heavy on MMTA
- Big swings for some HHAs
- Behavioral adjustment "wild card"

| Clinical Groups | The Primary Reason for the Home Health Encounter is to Provide: |
|---|---|
| Musculoskeletal Rehabilitation | Therapy (physical, occupational or speech) for a musculoskeletal condition |
| Neuro/Stroke Rehabilitation | Therapy (physical, occupational or speech) for a neurological condition or stroke |
| Wounds – Post-Op Wound Aftercare and Skin/Non-Surgical Wound Care | Assessment, treatment & evaluation of a surgical wound(s); assessment, treatment & evaluation of non-surgical wounds, ulcers, burns, and other lesions |
| Behavioral Health Care | Assessment, treatment & evaluation of psychiatric conditions |
| Complex Nursing Interventions | Assessment, treatment & evaluation of complex medical & surgical conditions including IV, TPN, enteral nutrition, ventilator, and ostomies |
| Medication Management, Teaching and Assessment (MMTA) | |
| MMTA –Surgical Aftercare | Assessment, evaluation, teaching, and medication management for surgical aftercare |
| MMTA – Cardiac/Circulatory | Assessment, evaluation, teaching, and medication management for cardiac or other circulatory related conditions |
| MMTA – Endocrine | Assessment, evaluation, teaching, and medication management for endocrine related conditions |
| MMTA – GI/GU | Assessment, evaluation, teaching, and medication management for gastrointestinal or genitourinary related conditions |
| MMTA – Infectious Disease/Neoplasms/Blood-forming Diseases | Assessment, evaluation, teaching, and medication management for conditions related to infectious diseases, neoplasms, and blood-forming diseases |
| MMTA –Respiratory | Assessment, evaluation, teaching, and medication management for respiratory related conditions |
| MMTA – Other | Assessment, evaluation, teaching, and medication management for a variety of medical and surgical conditions not classified in one of the previously listed groups |

# PDGM Advocacy Plan

- **Legislative Action**
- **S.3458. (Kennedy-R.LA/Cassidy-R.LA)**
- **S.3545 (Collins-R.ME/ Nelson-D.FL/ Stabenow-D.MI)**
- **HR.6932 Abraham/ Buchanan/Sewell/DesJarlais/Graves**

- **Behavioral adjustment only after change**
- **Phase-in adjustments greater than 2 points**

# PDGM Tools

- https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.html
- https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/Home-Health-Prospective-Payment-System-Regulations-and-Notices-Items/CMS-1689-P.html
  - CY2019 HH PPS Wage Index [ZIP, 105KB]
  - CY2019 HH PPS Proposed Case-Mix-Weights [ZIP, 13KB]
  - PDGM Grouper Tool [ZIP, 1MB]
  - CY 2019 through CY 2022 Rural Add-on Payments: Analysis and Designations [ZIP, 479KB]
  - PDGM Weights and LUPA Thresholds [ZIP, 30KB]
  - PDGM Agency-Level Impacts, Estimated for CY 2019 [ZIP, 1MB]
  - Summary of the Home Health Technical Expert Panel Meeting [PDF, 1MB]

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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## FINANCIAL MODEL

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## Glossary

- GAAP – Generally Accepted Accounting Principles
- HHA – Home health agency
- LUPA – Low utilization payment adjustment
- PDGM – Patient Driven Groupings Model
- PEP – Partial episode payment
- PPS – Prospective Payment System

# Accounting Model

- Revenue recognition methodology
  - For HHA financial statement reporting under GAAP
    - Medicare cost reporting requires GAAP financial reporting
  - Daily recognition of revenues over period of payment
    - PPS = 60-days
    - PDGM = 30-days



# Accounting Model

- Balance sheet accounts
  - Cash
  - Accounts receivable
  - Revenue, unearned
- Income statement
  - Revenue, earned
  - Contractual adjustments

# Accounting Model

- Revenue, unearned
  - Balance sheet account used to adjust accounts receivable balance for portions revenues not yet earned due to 30-day prorated revenue recognition methodology
  - May also be referred to as 'deferred revenue'



# Accounting Model

- Revenue, earned
  - Earned portion of revenues based on 30-day prorated revenue recognition methodology
- Contractual adjustments
  - Adjustments to earned revenues
    - Sequestration
    - LUPAs, PEPs, or outliers
    - Other adjustments

# Accounting Model

Example: 01/15/20 SOC, $1,800 expected period payment

| Account | 01/31/20 | 02/29/20 | 03/31/20 |
|---|---|---|---|
| Cash | $ 0 | $ 1,080 | $ 1,800 |
| | | | |
| Accounts receivable | $ 1,800 | $ 720 | $ 0 |
| Revenue, unearned | (780) | 0 | 0 |
| Net receivables | $ 1,020 | $ 720 | $ 0 |
| | | | |
| Revenue, earned | $ 1,020 | $ 1,800 | $ 1,800 |
| Cont. adjustments | 0 | 0 | 0 |
| Net revenues | $ 1,020 | $ 1,800 | $ 1,800 |
| | | | |
| | *($1,800 ÷ 30 days x 17 days = $1,020)* | *$1,800 ÷ 30 days x 13 days = $780)* | |

*Note: See appendix slides for additional detailed accounting examples*



# Accounting Model
## Appendix

# Accounting Model Appendix
## Example Accounting Entries

**Example Episode Information**

Start of Care Date: 01/15/20
Discharge Date: 03/03/20

| PDGM Payment Period | Start Date | End Date | Expected RAP Payment | Actual RAP Payment | Expected Period Payment | Actual Period Payment |
|---|---|---|---|---|---|---|
| Payment Period 1 | 01/15/20 | 02/13/20 | $ 1,080 | $ 1,080 | $ 1,800 | $ 1,764 |
| Payment Period 2 | 02/14/20 | 03/03/20 | $ 600 | $ 600 | $ 1,200 | $ 490 |



# Accounting Model Appendix
## Example Accounting Entries

**Monthly Accounting Entries**

| January | | Debit | Credit |
|---|---|---|---|
| 1. 01/15/20 | Accounts receivable | $ 1,800 | |
| | Revenue, unearned | | $ 1,800 |
| | *To record full expected payment for period one when request for anticipated payment (RAP) is billed on 01/25/20.* | | |
| 2. 01/31/20 | Revenue, unearned | $ 1,020 | |
| | Revenue, earned | | $ 1,020 |
| | *To recognize earned revenue for period one at end of month. ($1,800 ÷ 30 days x 17 days of earned revenue in January = $1,020)* | | |

Account Balance Summary

| | |
|---|---|
| Cash | $ - |
| Accounts receivable | $ 1,800 |
| Revenue, unearned | $ (780) |
| Net receivables | $ 1,020 |
| Revenue, earned | $ (1,020) |
| Contractual adjustments, sequestration | $ - |
| Contractual adjustments, other | $ - |
| Net revenues | $ (1,020) |

# Accounting Model Appendix
## Example Accounting Entries

**Monthly Accounting Entries**

| February | | Debit | Credit |
|---|---|---|---|
| 1. 01/25/20 | Cash | $ 1,080 | |
| | Accounts receivable | | $ 1,080 |
| | *To record receipt of RAP payment for period one.* | | |
| | *($1,800 expected payment x 60% = $1,080)* | | |
| 2. 02/13/20 | Revenue, unearned | $ 780 | |
| | Revenue, earned | | $ 780 |
| | *To recognize remaining earned revenue for period one.* | | |
| | *($1,800 expected payment ÷ 30 days x 13 days of earned revenue in February = $780)* | | |
| 3. 02/14/20 | Accounts receivable | $ 1,200 | |
| | Revenue, unearned | | $ 1,200 |
| | *To record full expected payment for period two when RAP is billed on 02/18/20.* | | |
| 4. 02/24/20 | Cash | $ 600 | |
| | Accounts receivable | | $ 600 |
| | *To record receipt of RAP payment for period two.* | | |
| | *($1,200 expected payment x 50% = $600)* | | |



# Accounting Model Appendix
## Example Accounting Entries

| | | | |
|---|---|---|---|
| 5. 02/29/20 | Revenue, unearned | $ 640 | |
| | Revenue, earned | | $ 640 |
| | *To recognize earned revenue for period two at end of month.* | | |
| | *($1,200 expected payment ÷ 30 days x 16 days of earned revenue in February = $640)* | | |

| Account Balance Summary | |
|---|---|
| Cash | $ 1,680 |
| Accounts receivable | $ 1,320 |
| Revenue, unearned | $ (560) |
| Net receivables | $ 760 |
| Revenue, earned | $ (2,440) |
| Contractual adjustments, sequestration | $ - |
| Contractual adjustments, other | $ - |
| Net revenues | $ (2,440) |

# Accounting Model Appendix
## Example Accounting Entries

**Monthly Accounting Entries**

| March | | | Debit | Credit |
|---|---|---|---|---|
| 1. | 02/28/20 | Cash | $ 684 | |
| | | Contractual adjustments, sequestration | $ 36 | |
| | | Accounts receivable | | $ 720 |
| | | *To record receipt of claim payment for period one.* | | |
| | | *($1,764 final payment after sequestration - $1,080 previously paid RAP)* | | |
| 2. | 03/04/20 | Revenue, unearned | $ 560 | |
| | | Revenue, earned | | $ 560 |
| | | Contractual adjustments, other | $ 700 | |
| | | Accounts receivable | | $ 700 |
| | | *To recognize remaining earned revenue for period two and adjust for decrease in expected payment due to low utilization payment adjustment (LUPA).* | | |
| | | *($1,200 original expected period payment - $500 LUPA adjusted period payment = $700 adjustment)* | | |



# Accounting Model Appendix
## Example Accounting Entries

| | | | | |
|---|---|---|---|---|
| 3. | 03/23/20 | Contractual adjustments, sequestration | $ 10 | |
| | | Accounts receivable | $ 100 | |
| | | Cash | | $ 110 |
| | | *To record receipt of claim payment for period two.* | | |
| | | *($490 final payment after sequestration - $600 previously paid RAP)* | | |

| Account Balance Summary | |
|---|---|
| Cash | $ 2,254 |
| Accounts receivable | $ - |
| Revenue, unearned | $ - |
| Net receivables | $ - |
| Revenue, earned | $ (3,000) |
| Contractual adjustments, sequestration | $ 46 |
| Contractual adjustments, other | $ 700 |
| Net revenues | $ (2,254) |

# BILLING IMPACT



# Billing Impact

- For billing purposes, PDGM will keep the RAP/Final billing methodology
  - CMS estimates the median time to submit a RAP is 12 days
  - 5% of RAPs not submitted until after day 60
- Billing requirements remain the same for final claim:
  - Completed and successfully transmitted OASIS assessment
  - Compliant face-to-face certification
  - Signed and dated orders
  - Signed and dated plan of care

# Billing Impact

- Newly certified agencies as of 1/1/2019 will not receive RAP payments under PDGM but required to submit a "no pay" RAP
  - Potential phase-out of RAPs in the future
  - Potential RAP replacement of Notice of Admission in the future
- RAP Auto-cancel rules still apply
  - Claim not received within the greater of 60 days from the end date or 60 days after RAP paid date (whichever is greater)



# Billing Impact

- Medicare claims processing system will check for the presence of an acute/post-acute Medicare claim for an institutional stay occurring within 14 days of the HH admission on an ongoing basis and automatically assign the claim as "community" or "institutional" appropriately.
  - Claims with a non-Medicare institutional stay 14 days prior to home health admission would need an occurrence code on the claim to process as "institutional"
  - OASIS will not be utilized in evaluating admission source info
  - Inconsistent language throughout the final rule if you should or should not bill with the occurrence codes or have Medicare automatically process claims appropriately – look for more guidance to come out regarding approach

# Billing Impact

- Clinical Groupings and Comorbidity Adjustment based on the diagnoses on the CLAIM, not the OASIS
  - Up to 25 diagnosis codes can be entered on claim compared to 6 on OASIS
- Diagnosis Changes Between Initial and Subsequent Period
  - "If a home health patient has any changes in diagnoses (either principal or secondary), this would be reflected on the home health claim and the case mix weight could change accordingly."
  - "However, we would expect that the HHA clinical documentation would also reflect these changes and any communication/coordination with the certifying physician would also be documented."



# CASH FLOW IMPACT

# Cash Flow Impact

- Timeline Variables
  - RAP Billing
    - OASIS Completion/QA, receipt of verbal orders
      - PDGM RAP 2 in most cases will use the same OASIS as PDGM RAP 1 leading to quicker billing timeline
  - Final Claim Billing
    - Timely receipt of signed orders
    - Timely completion of F2F
    - Timely receipt of visit and supply information



# Cash Flow Impact

- Sample Billing Timeline

| Type | Start Date | End Date | Bill Date | Paid Date | Total Days to Pay from Start |
|---|---|---|---|---|---|
| PPS RAP | Day 1 | Day 1 | Day 7 | Day 14 | 14 |
| PPS Final Claim | Day 1 | Day 60 | Day 67 | Day 81 | 81 |
| PDGM RAP 1 | Day 1 | Day 1 | Day 7 | Day 14 | 14 |
| PDGM FC 1 | Day 1 | Day 30 | Day 44 | Day 58 | 58 |
| PDGM RAP 2 | Day 31 | Day 31 | Day 34 | Day 41 | 11 |
| PDGM FC 2 | Day 31 | Day 60 | Day 67 | Day 81 | 51 |

# Cash Flow Example Scenario

- Assumptions
  1. PPS - 1 RAP/1 FC per day
  2. Length of Stay = 60 days
  3. $3,300/PPS Claim ($1,980 RAP/$1,320 FC)
  4. PDGM – 1 admission per day
  5. $1,900/PDGM 1 Claim ($1,140 RAP/$760 FC)
  6. $1,400/PDGM 2 Claim ($700 RAP/$700 FC)
  7. Billing Timeline Assumptions Outlined on Prior Slide



# Cash Flow Example Scenario

| | Dec | Jan | Feb | Mar | Apr |
|---|---|---|---|---|---|
| PPS – RAP Reimbursement | $61,380 | $29,700 | | | |
| PPS – Final Claim Reimbursement | $40,920 | $40,920 | $36,960 | $29,040 | |
| PDGM – RAP 1 Reimbursement | | $19,380 | $31,920 | $35,340 | $34,200 |
| PDGM – Final Claim 1 Reimb | | | $1,520 | $23,560 | $22,800 |
| PDGM – RAP 2 Reimbursement | | | $13,300 | $21,700 | $21,000 |
| PDGM – Final Claim 2 Reimb | | | | $7,000 | $21,000 |
| Total | **$102,300** | **$90,000** | **$83,700** | **$116,640** | **$99,000** |
| $ Difference from December | | ($12,300) | ($18,600) | $14,340 | ($3,300) |
| % Difference from December | | -12% | -18% | 14% | -3% |
| Daily Cash | $3,300 | $2,903 | $2,989 | $3,763 | $3,300 |
| Daily Cash % Diff from Dec | | -12% | -9% | 14% | 0% |

# IMPACT ASSESSMENT



# Base Line Assessment Periods

**Medicare Statistics**

**Medicare PDGM Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Total |
|---|---|---|---|---|---|
| Behavioral Health Care | 16 | 8 | 5 | 2 | 31 |
| Complex Nursing Interventions | 3 | 3 | 2 | 1 | 9 |
| MMTA- Surgical Aftercare | 137 | 65 | 23 | 8 | 233 |
| MMTA- Cardiac/Circulator | 215 | 164 | 78 | 29 | 486 |
| MMTA- Endocrine | 42 | 28 | 16 | 6 | 92 |
| MMTA- GI/GU | 122 | 70 | 37 | 14 | 243 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 85 | 65 | 40 | 14 | 204 |
| MMTA- Other | 46 | 26 | 14 | 5 | 91 |
| MMTA- Respiratory | 178 | 116 | 51 | 19 | 364 |
| Musculoskeletal Rehabilitation | 405 | 233 | 61 | 20 | 719 |
| Neuro/Stroke Rehabilitation | 135 | 92 | 44 | 17 | 288 |
| Wound | 94 | 82 | 59 | 27 | 262 |
| Questionable Encounters | 155 | 77 | 40 | 19 | 291 |
| **TOTAL** | **1,633** | **1,029** | **470** | **181** | **3,022** |

# Allocation of Questionable Encounters

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Patients Total | Period 1 | Period 2 | Period 3 | Period 4 |
|---|---|---|---|---|---|---|---|---|---|
| Behavioral Health Care | 1.1% | 0.8% | 1.2% | 1.2% | 16 | 2 | 1 | 1 | - |
| Complex Nursing Interventions | 0.2% | 0.3% | 0.5% | 0.6% | 3 | - | 1 | 1 | - |
| MMTA- Surgical Aftercare | 9.3% | 6.8% | 5.3% | 4.9% | 137 | 14 | 5 | 2 | 1 |
| MMTA- Cardiac/Circulator | 14.5% | 17.2% | 18.1% | 17.9% | 215 | 23 | 13 | 7 | 3 |
| MMTA- Endocrine | 2.8% | 2.9% | 3.7% | 3.7% | 42 | 4 | 2 | 1 | 1 |
| MMTA- GI/GU | 8.3% | 7.4% | 8.6% | 8.6% | 122 | 13 | 6 | 3 | 2 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Diseases | 5.8% | 6.8% | 9.3% | 8.6% | 85 | 9 | 5 | 4 | 2 |
| MMTA- Other | 3.1% | 2.7% | 3.3% | 3.1% | 46 | 5 | 2 | 1 | 1 |
| MMTA- Respiratory | 12.0% | 12.2% | 11.9% | 11.7% | 178 | 19 | 9 | 5 | 2 |
| Musculoskeletal Rehabilitation | 27.4% | 24.5% | 14.2% | 12.3% | 405 | 42 | 19 | 6 | 2 |
| Neuro/Stroke Rehabilitation | 9.1% | 9.7% | 10.2% | 10.5% | 135 | 14 | 7 | 4 | 2 |
| Wound | 6.4% | 8.6% | 13.7% | 16.7% | 94 | 10 | 7 | 5 | 3 |
| Questionable Encounters | | | | | 155 | | | | |
| **TOTAL** | **100.0%** | **100.0%** | **100.0%** | **100.0%** | **1,633** | **155** | **77** | **40** | **19** |

# Total PDGM Periods

**Medicare PDGM Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Total |
|---|---|---|---|---|---|
| Behavioral Health Care | 18 | 9 | 6 | 2 | 35 |
| Complex Nursing Interventions | 3 | 4 | 3 | 1 | 11 |
| MMTA- Surgical Aftercare | 151 | 70 | 25 | 9 | 255 |
| MMTA- Cardiac/Circulator | 238 | 177 | 85 | 32 | 532 |
| MMTA- Endocrine | 46 | 30 | 17 | 7 | 100 |
| MMTA- GI/GU | 135 | 76 | 40 | 16 | 267 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 94 | 70 | 44 | 16 | 224 |
| MMTA- Other | 51 | 28 | 15 | 6 | 100 |
| MMTA- Respiratory | 197 | 125 | 56 | 21 | 399 |
| Musculoskeletal Rehabilitation | 447 | 252 | 67 | 22 | 788 |
| Neuro/Stroke Rehabilitation | 149 | 99 | 48 | 19 | 315 |
| Wound | 104 | 89 | 64 | 30 | 287 |
| **TOTAL** | **1,633** | **1,029** | **470** | **181** | **3,313** |

# PDGM Non-LUPA Periods Percentage

**Medicare Statistics Full Periods**

**Medicare PDGM Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 |
|---|---|---|---|---|
| Behavioral Health Care | 100.0% | 60.0% | 100.0% | 100.0% |
| Complex Nursing Interventions | 100.0% | 100.0% | 100.0% | 100.0% |
| MMTA- Surgical Aftercare | 97.6% | 80.0% | 93.3% | 100.0% |
| MMTA- Cardiac/Circulator | 97.0% | 83.5% | 95.9% | 89.7% |
| MMTA- Endocrine | 91.2% | 94.4% | 80.0% | 100.0% |
| MMTA- GI/GU | 95.7% | 83.0% | 87.0% | 100.0% |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 93.5% | 92.3% | 92.3% | 100.0% |
| MMTA- Other | 100.0% | 94.1% | 100.0% | 100.0% |
| MMTA- Respiratory | 95.5% | 79.8% | 93.8% | 94.7% |
| Musculoskeletal Rehabilitation | 95.3% | 76.6% | 92.7% | 65.0% |
| Neuro/Stroke Rehabilitation | 92.5% | 86.2% | 92.6% | 94.1% |
| Wound | 95.3% | 82.0% | 100.0% | 92.6% |
| Questionable Encounters | 93.2% | 76.8% | 95.2% | 94.7% |
| TOTAL | 95.3% | 81.5% | 93.8% | 91.7% |

# PDGM Non-LUPA Periods

**Medicare PDGM Full Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Total |
|---|---|---|---|---|---|
| Behavioral Health Care | 18 | 6 | 6 | 2 | 32 |
| Complex Nursing Interventions | 3 | 4 | 3 | 1 | 11 |
| MMTA- Surgical Aftercare | 148 | 56 | 24 | 9 | 237 |
| MMTA- Cardiac/Circulator | 231 | 148 | 82 | 29 | 490 |
| MMTA- Endocrine | 42 | 29 | 14 | 7 | 92 |
| MMTA- GI/GU | 130 | 64 | 35 | 16 | 245 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 88 | 65 | 41 | 16 | 210 |
| MMTA- Other | 51 | 27 | 15 | 6 | 99 |
| MMTA- Respiratory | 189 | 100 | 53 | 20 | 362 |
| Musculoskeletal Rehabilitation | 426 | 193 | 63 | 15 | 697 |
| Neuro/Stroke Rehabilitation | 138 | 86 | 45 | 18 | 287 |
| Wound | 100 | 73 | 64 | 28 | 265 |
| **TOTAL** | **1,564** | **851** | **445** | **167** | **3,027** |

# PDGM Revenue Per Non-LUPA Period

| Medicare PDGM Non-LUPA Periods Reimbursement Rates | | | | |
|---|---|---|---|---|
| **Clinical Group** | **Period 1** | **Period 2** | **Period 3** | **Period 4** |
| Behavioral Health Care | 2,414 | 1,916 | 2,400 | 1,511 |
| Complex Nursing Interventions | 2,103 | 1,568 | 1,740 | 2,610 |
| MMTA- Surgical Aftercare | 2,703 | 1,717 | 2,128 | 2,101 |
| MMTA- Cardiac/Circulator | 2,800 | 1,940 | 2,120 | 1,968 |
| MMTA- Endocrine | 2,785 | 1,862 | 1,859 | 1,902 |
| MMTA- GI/GU | 2,628 | 1,936 | 2,216 | 2,070 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 2,673 | 1,974 | 2,116 | 1,828 |
| MMTA- Other | 2,542 | 1,957 | 2,212 | 1,593 |
| MMTA- Respiratory | 2,730 | 1,858 | 2,146 | 2,007 |
| Musculoskeletal Rehabilitation | 2,789 | 1,863 | 2,168 | 2,328 |
| Neuro/Stroke Rehabilitation | 2,926 | 2,205 | 2,453 | 2,253 |
| Wound | 2,957 | 2,382 | 2,312 | 2,406 |

# PDGM Total Revenue – Non-LUPA Periods

| Medicare PDGM Full Periods Reimbursement | | | | | |
|---|---|---|---|---|---|
| **Clinical Group** | **Period 1** | **Period 2** | **Period 3** | **Period 4** | **Total** |
| Behavioral Health Care | 43,456 | 11,493 | 14,402 | 3,023 | **72,373** |
| Complex Nursing Interventions | 6,310 | 6,271 | 5,221 | 2,610 | **20,412** |
| MMTA- Surgical Aftercare | 400,086 | 96,140 | 51,083 | 18,913 | **566,221** |
| MMTA- Cardiac/Circulator | 646,822 | 287,063 | 173,817 | 57,059 | **1,164,761** |
| MMTA- Endocrine | 116,954 | 54,002 | 26,033 | 13,314 | **210,302** |
| MMTA- GI/GU | 341,703 | 123,876 | 77,543 | 33,116 | **576,238** |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 235,247 | 128,331 | 86,752 | 29,256 | **479,585** |
| MMTA- Other | 129,642 | 52,840 | 33,183 | 9,561 | **225,225** |
| MMTA- Respiratory | 516,021 | 185,838 | 113,750 | 40,136 | **855,745** |
| Musculoskeletal Rehabilitation | 1,187,943 | 359,655 | 136,560 | 34,921 | **1,719,080** |
| Neuro/Stroke Rehabilitation | 403,806 | 189,628 | 110,379 | 40,556 | **744,369** |
| Wound | 295,724 | 173,852 | 147,987 | 67,378 | **684,941** |
| **TOTAL** | **4,323,714** | **1,668,989** | **976,708** | **349,841** | **7,319,252** |

# PDGM LUPA Period Percentage

**Medicare Statistics**

**Medicare PDGM LUPA Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 |
|---|---|---|---|---|
| Behavioral Health Care | 0.0% | 40.0% | 0.0% | 0.0% |
| Complex Nursing Interventions | 0.0% | 0.0% | 0.0% | 0.0% |
| MMTA- Surgical Aftercare | 2.4% | 20.0% | 6.7% | 0.0% |
| MMTA- Cardiac/Circulator | 3.0% | 16.5% | 4.1% | 10.3% |
| MMTA- Endocrine | 8.8% | 5.6% | 20.0% | 0.0% |
| MMTA- GI/GU | 4.3% | 17.0% | 13.0% | 0.0% |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 6.5% | 7.7% | 7.7% | 0.0% |
| MMTA- Other | 0.0% | 5.9% | 0.0% | 0.0% |
| MMTA- Respiratory | 4.5% | 20.2% | 6.3% | 5.3% |
| Musculoskeletal Rehabilitation | 4.7% | 23.4% | 7.3% | 35.0% |
| Neuro/Stroke Rehabilitation | 7.5% | 13.8% | 7.4% | 5.9% |
| Wound | 4.7% | 18.0% | 0.0% | 7.4% |
| Questionable Encounters | 6.8% | 23.2% | 4.8% | 5.3% |
| TOTAL | 4.7% | 18.5% | 6.2% | 8.3% |

# PDGM Total LUPA Period

**Medicare PDGM LUPA Periods**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Total |
|---|---|---|---|---|---|
| Behavioral Health Care | - | 3 | - | - | 3 |
| Complex Nursing Interventions | - | - | - | - | - |
| MMTA- Surgical Aftercare | 3 | 14 | 1 | - | 18 |
| MMTA- Cardiac/Circulator | 7 | 29 | 3 | 3 | 42 |
| MMTA- Endocrine | 4 | 1 | 3 | - | 8 |
| MMTA- GI/GU | 5 | 12 | 5 | - | 22 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dise | 6 | 5 | 3 | - | 14 |
| MMTA- Other | - | 1 | - | - | 1 |
| MMTA- Respiratory | 8 | 25 | 3 | 1 | 37 |
| Musculoskeletal Rehabilitation | 21 | 59 | 4 | 7 | 91 |
| Neuro/Stroke Rehabilitation | 11 | 13 | 3 | 1 | 28 |
| Wound | 4 | 16 | - | 2 | 22 |
| **TOTAL** | **69** | **178** | **25** | **14** | **286** |

# PDGM Revenue per LUPA Period

| Medicare PDGM LUPA Periods Reimbursement Rates | | | | |
|---|---|---|---|---|
| **Clinical Group** | **Period 1** | **Period 2** | **Period 3** | **Period 4** |
| Behavioral Health Care | 146 | 146 | 146 | 146 |
| Complex Nursing Interventions | 212 | 212 | 212 | 212 |
| MMTA- Surgical Aftercare | 534 | 159 | 164 | 162 |
| MMTA- Cardiac/Circulator | 469 | 157 | 497 | 148 |
| MMTA- Endocrine | 548 | 164 | 233 | 199 |
| MMTA- GI/GU | 362 | 151 | 151 | 151 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 516 | 145 | 362 | 254 |
| MMTA- Other | 150 | 150 | 150 | 150 |
| MMTA- Respiratory | 479 | 155 | 150 | 142 |
| Musculoskeletal Rehabilitation | 631 | 160 | 298 | 161 |
| Neuro/Stroke Rehabilitation | 531 | 156 | 322 | 164 |
| Wound | 435 | 284 | 293 | 301 |

# PDGM Total Revenue - LUPA Periods

| Medicare PDGM LUPA Periods Reimbursement | | | | | |
|---|---|---|---|---|---|
| **Clinical Group** | **Period 1** | **Period 2** | **Period 3** | **Period 4** | **Total** |
| Behavioral Health Care | - | 439 | - | - | **439** |
| Complex Nursing Interventions | - | - | - | - | **-** |
| MMTA- Surgical Aftercare | 1,602 | 2,230 | 164 | - | **3,997** |
| MMTA- Cardiac/Circulator | 3,282 | 4,550 | 1,492 | 443 | **9,766** |
| MMTA- Endocrine | 2,190 | 164 | 698 | - | **3,053** |
| MMTA- GI/GU | 1,812 | 1,817 | 754 | - | **4,382** |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 3,097 | 724 | 1,087 | - | **4,907** |
| MMTA- Other | - | 150 | - | - | **150** |
| MMTA- Respiratory | 3,835 | 3,878 | 451 | 142 | **8,306** |
| Musculoskeletal Rehabilitation | 13,242 | 9,416 | 1,193 | 1,129 | **24,979** |
| Neuro/Stroke Rehabilitation | 5,838 | 2,027 | 967 | 164 | **8,997** |
| Wound | 1,742 | 4,550 | - | 602 | **6,893** |
| **TOTAL** | **36,638** | **29,945** | **6,807** | **2,480** | **75,869** |

# PDGM Total Revenue - All Periods

| Medicare PDGM - Total Reimbursement | | | |
|---|---|---|---|
| **Clinical Group** | **Full Episodes** | **LUPA Episodes** | **Total** |
| Behavioral Health Care | 72,373 | 439 | 72,812 |
| Complex Nursing Interventions | 20,412 | - | 20,412 |
| MMTA- Surgical Aftercare | 566,221 | 3,997 | 570,217 |
| MMTA- Cardiac/Circulator | 1,164,761 | 9,766 | 1,174,527 |
| MMTA- Endocrine | 210,302 | 3,053 | 213,355 |
| MMTA- GI/GU | 576,238 | 4,382 | 580,621 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 479,585 | 4,907 | 484,492 |
| MMTA- Other | 225,225 | 150 | 225,376 |
| MMTA- Respiratory | 855,745 | 8,306 | 864,051 |
| Musculoskeletal Rehabilitation | 1,719,080 | 24,979 | 1,744,059 |
| Neuro/Stroke Rehabilitation | 744,369 | 8,997 | 753,366 |
| Wound | 684,941 | 6,893 | 691,834 |
| **TOTAL** | **7,319,252** | **75,869** | **7,395,121** |

# PDGM Visits Per Period 1st and 2nd Period

| | Medicare Visits 1st Period | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Group** | **Skilled Nursing** | **Physical Therapy** | **Occupational Therapy** | **Speech Therapy** | **Medical Social Services** | **Home Health Aide** | **Total Visits** |
| Behavioral Health Care | 4.82 | 4.73 | 3.00 | - | 1.18 | 0.45 | 14.18 |
| Complex Nursing Interventions | 6.50 | 5.50 | 4.00 | - | - | - | 16.00 |
| MMTA- Surgical Aftercare | 5.33 | 4.89 | 2.90 | - | 0.21 | 0.43 | 13.76 |
| MMTA- Cardiac/Circulator | 5.63 | 6.03 | 3.34 | - | 0.58 | 0.98 | 16.56 |
| MMTA- Endocrine | 5.47 | 4.29 | 2.44 | - | 1.06 | 0.65 | 13.91 |
| MMTA- GI/GU | 4.65 | 5.47 | 2.70 | - | 0.53 | 0.73 | 14.08 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 5.85 | 3.66 | 2.71 | - | 0.35 | 0.47 | 13.05 |
| MMTA- Other | 5.00 | 5.97 | 3.62 | - | 0.68 | 0.65 | 15.91 |
| MMTA- Respiratory | 5.08 | 6.35 | 3.50 | - | 0.63 | 0.72 | 16.28 |
| Musculoskeletal Rehabilitation | 3.06 | 8.09 | 3.05 | - | 0.26 | 0.71 | 15.17 |
| Neuro/Stroke Rehabilitation | 3.52 | 6.83 | 3.88 | - | 0.38 | 1.02 | 15.63 |
| Wound | 6.81 | 3.16 | 2.05 | - | 0.59 | 0.70 | 13.31 |

| | Medicare Visits 2nd Period | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Group** | **Skilled Nursing** | **Physical Therapy** | **Occupational Therapy** | **Speech Therapy** | **Medical Social Services** | **Home Health Aide** | **Total Visits** |
| Behavioral Health Care | 3.40 | 0.60 | 1.40 | - | 1.00 | - | 6.40 |
| Complex Nursing Interventions | 4.00 | 2.50 | 3.50 | - | - | - | 10.00 |
| MMTA- Surgical Aftercare | 3.46 | 2.08 | 0.98 | - | 0.12 | 0.28 | 6.92 |
| MMTA- Cardiac/Circulator | 3.43 | 2.64 | 0.86 | - | 0.31 | 0.45 | 7.70 |
| MMTA- Endocrine | 4.44 | 2.50 | 1.17 | - | 0.61 | 0.39 | 9.11 |
| MMTA- GI/GU | 2.34 | 3.19 | 1.02 | - | 0.23 | 0.34 | 7.13 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 4.18 | 3.00 | 1.08 | - | 0.15 | 0.36 | 8.77 |
| MMTA- Other | 4.12 | 3.53 | 0.76 | - | 0.35 | 0.29 | 9.06 |
| MMTA- Respiratory | 2.99 | 2.75 | 0.64 | - | 0.25 | 0.40 | 7.04 |
| Musculoskeletal Rehabilitation | 1.22 | 3.67 | 0.81 | - | 0.11 | 0.30 | 6.12 |
| Neuro/Stroke Rehabilitation | 2.00 | 3.08 | 1.37 | - | 0.22 | 0.37 | 7.03 |
| Wound | 6.34 | 1.50 | 0.78 | - | 0.42 | 0.46 | 9.50 |

# PDGM Visits Per Period 3rd and 4th Period

| Clinical Group | Medicare Visits 3rd Period | | | | | | |
|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits |
| Behavioral Health Care | 5.00 | 4.33 | 2.67 | - | 1.67 | 1.33 | 15.00 |
| Complex Nursing Interventions | 8.00 | 6.00 | 3.00 | - | - | - | 17.00 |
| MMTA- Surgical Aftercare | 4.87 | 3.00 | 1.73 | - | 0.53 | 0.40 | 10.53 |
| MMTA- Cardiac/Circulator | 5.24 | 2.94 | 1.53 | - | 0.24 | 0.41 | 10.37 |
| MMTA- Endocrine | 4.90 | 2.60 | 2.30 | - | 0.30 | 0.70 | 10.80 |
| MMTA- GI/GU | 4.43 | 3.70 | 1.91 | - | 0.65 | 1.04 | 11.74 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 5.08 | 2.65 | 1.62 | - | 0.38 | 0.31 | 10.04 |
| MMTA- Other | 4.89 | 4.44 | 2.56 | - | 0.56 | 2.44 | 14.89 |
| MMTA- Respiratory | 3.94 | 3.41 | 1.66 | - | 0.50 | 1.28 | 10.78 |
| Musculoskeletal Rehabilitation | 2.59 | 5.37 | 1.80 | - | 0.24 | 0.73 | 10.73 |
| Neuro/Stroke Rehabilitation | 2.30 | 5.96 | 2.33 | - | 0.26 | 1.26 | 12.11 |
| Wound | 7.97 | 1.81 | 0.81 | - | 0.28 | 0.56 | 11.44 |

| Clinical Group | Medicare Visits 4th Period | | | | | | |
|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits |
| Behavioral Health Care | 2.50 | 2.00 | - | - | 1.00 | 0.50 | 6.00 |
| Complex Nursing Interventions | 8.00 | 10.00 | 3.00 | - | - | - | 21.00 |
| MMTA- Surgical Aftercare | 5.50 | 3.63 | 1.38 | - | 1.00 | 0.50 | 12.00 |
| MMTA- Cardiac/Circulator | 4.24 | 3.62 | 1.07 | - | 0.24 | 0.07 | 9.24 |
| MMTA- Endocrine | 6.83 | 1.33 | 0.17 | - | 0.17 | 0.67 | 9.17 |
| MMTA- GI/GU | 4.07 | 3.79 | 2.36 | - | 0.29 | 0.64 | 11.14 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 3.64 | 3.00 | 0.50 | - | 0.36 | - | 7.50 |
| MMTA- Other | 2.00 | 2.00 | 0.20 | - | - | 1.80 | 6.00 |
| MMTA- Respiratory | 3.95 | 2.63 | 0.79 | - | 0.53 | 0.37 | 8.26 |
| Musculoskeletal Rehabilitation | 2.60 | 3.15 | 1.10 | - | 0.35 | 0.55 | 7.75 |
| Neuro/Stroke Rehabilitation | 1.76 | 3.29 | 1.41 | - | 0.18 | 0.59 | 7.24 |
| Wound | 6.67 | 2.30 | 0.93 | - | 0.19 | 0.59 | 10.67 |

# PDGM Visits Period 1st and 2nd Period

| Clinical Group | Medicare Visits 1st Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits | Periods |
| Behavioral Health Care | 87 | 85 | 54 | - | 21 | 8 | 255 | 18 |
| Complex Nursing Interventions | 20 | 17 | 12 | - | - | - | 48 | 3 |
| MMTA- Surgical Aftercare | 804 | 739 | 438 | - | 32 | 65 | 2,078 | 151 |
| MMTA- Cardiac/Circulator | 1,341 | 1,435 | 794 | - | 139 | 232 | 3,941 | 238 |
| MMTA- Endocrine | 252 | 198 | 112 | - | 49 | 30 | 640 | 46 |
| MMTA- GI/GU | 628 | 738 | 364 | - | 72 | 98 | 1,900 | 135 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 550 | 344 | 255 | - | 33 | 44 | 1,227 | 94 |
| MMTA- Other | 255 | 305 | 185 | - | 35 | 33 | 812 | 51 |
| MMTA- Respiratory | 1,000 | 1,250 | 690 | - | 124 | 143 | 3,206 | 197 |
| Musculoskeletal Rehabilitation | 1,368 | 3,616 | 1,363 | - | 116 | 317 | 6,780 | 447 |
| Neuro/Stroke Rehabilitation | 524 | 1,017 | 579 | - | 57 | 151 | 2,328 | 149 |
| Wound | 709 | 328 | 213 | - | 62 | 73 | 1,385 | 104 |
| **Total** | **7,537** | **10,071** | **5,058** | - | **739** | **1,195** | **24,600** | **1,633** |

| Clinical Group | Medicare Visits 2nd Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits | Periods |
| Behavioral Health Care | 31 | 5 | 13 | - | 9 | - | 58 | 9 |
| Complex Nursing Interventions | 16 | 10 | 14 | - | - | - | 40 | 4 |
| MMTA- Surgical Aftercare | 242 | 146 | 69 | - | 8 | 20 | 484 | 70 |
| MMTA- Cardiac/Circulator | 608 | 468 | 152 | - | 55 | 80 | 1,364 | 177 |
| MMTA- Endocrine | 133 | 75 | 35 | - | 18 | 12 | 273 | 30 |
| MMTA- GI/GU | 178 | 243 | 78 | - | 18 | 26 | 542 | 76 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 293 | 210 | 75 | - | 11 | 25 | 614 | 70 |
| MMTA- Other | 115 | 99 | 21 | - | 10 | 8 | 254 | 28 |
| MMTA- Respiratory | 374 | 344 | 80 | - | 31 | 51 | 879 | 125 |
| Musculoskeletal Rehabilitation | 308 | 925 | 205 | - | 29 | 75 | 1,542 | 252 |
| Neuro/Stroke Rehabilitation | 198 | 305 | 136 | - | 21 | 37 | 696 | 99 |
| Wound | 564 | 134 | 69 | - | 37 | 41 | 846 | 89 |
| **Total** | **3,060** | **2,962** | **947** | - | **248** | **373** | **7,591** | **1,029** |

# PDGM Visits Period 3rd and 4th Period

| Clinical Group | Medicare Visits 3rd Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits | Periods |
| Behavioral Health Care | 30 | 26 | 16 | - | 10 | 8 | 90 | 6 |
| Complex Nursing Interventions | 24 | 18 | 9 | - | - | - | 51 | 3 |
| MMTA- Surgical Aftercare | 122 | 75 | 43 | - | 13 | 10 | 263 | 25 |
| MMTA- Cardiac/Circulator | 446 | 250 | 130 | - | 21 | 35 | 881 | 85 |
| MMTA- Endocrine | 83 | 44 | 39 | - | 5 | 12 | 184 | 17 |
| MMTA- GI/GU | 177 | 148 | 77 | - | 26 | 42 | 470 | 40 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 223 | 117 | 71 | - | 17 | 14 | 442 | 44 |
| MMTA- Other | 73 | 67 | 38 | - | 8 | 37 | 223 | 15 |
| MMTA- Respiratory | 221 | 191 | 93 | - | 28 | 72 | 604 | 56 |
| Musculoskeletal Rehabilitation | 173 | 360 | 121 | - | 16 | 49 | 719 | 67 |
| Neuro/Stroke Rehabilitation | 110 | 286 | 112 | - | 12 | 60 | 581 | 48 |
| Wound | 510 | 116 | 52 | - | 18 | 36 | 732 | 64 |
| **Total** | **2,193** | **1,697** | **801** | **-** | **175** | **374** | **5,240** | **470** |

| Clinical Group | Medicare Visits 4th Period | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits | Periods |
| Behavioral Health Care | 5 | 4 | - | - | 2 | 1 | 12 | 2 |
| Complex Nursing Interventions | 8 | 10 | 3 | - | - | - | 21 | 1 |
| MMTA- Surgical Aftercare | 50 | 33 | 12 | - | 9 | 5 | 108 | 9 |
| MMTA- Cardiac/Circulator | 136 | 116 | 34 | - | 8 | 2 | 296 | 32 |
| MMTA- Endocrine | 48 | 9 | 1 | - | 1 | 5 | 64 | 7 |
| MMTA- GI/GU | 65 | 61 | 38 | - | 5 | 10 | 178 | 16 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 58 | 48 | 8 | - | 6 | - | 120 | 16 |
| MMTA- Other | 12 | 12 | 1 | - | - | 11 | 36 | 6 |
| MMTA- Respiratory | 83 | 55 | 17 | - | 11 | 8 | 174 | 21 |
| Musculoskeletal Rehabilitation | 57 | 69 | 24 | - | 8 | 12 | 171 | 22 |
| Neuro/Stroke Rehabilitation | 34 | 63 | 27 | - | 3 | 11 | 137 | 19 |
| Wound | 200 | 69 | 28 | - | 6 | 18 | 320 | 30 |
| **Total** | **755** | **548** | **193** | **-** | **58** | **82** | **1,637** | **181** |

# PDGM Total Visits All Periods

| Clinical Group | Total Visits | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total Visits | Periods |
| Behavioral Health Care | 152 | 120 | 83 | - | 42 | 17 | 415 | 27 |
| Complex Nursing Interventions | 68 | 55 | 38 | - | - | - | 160 | 7 |
| MMTA- Surgical Aftercare | 1,217 | 992 | 563 | - | 63 | 99 | 2,934 | 221 |
| MMTA- Cardiac/Circulator | 2,530 | 2,269 | 1,111 | - | 223 | 349 | 6,482 | 415 |
| MMTA- Endocrine | 516 | 326 | 188 | - | 73 | 58 | 1,161 | 76 |
| MMTA- GI/GU | 1,048 | 1,189 | 556 | - | 120 | 176 | 3,090 | 211 |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 1,125 | 719 | 409 | - | 67 | 83 | 2,402 | 164 |
| MMTA- Other | 456 | 482 | 245 | - | 53 | 89 | 1,324 | 79 |
| MMTA- Respiratory | 1,677 | 1,840 | 879 | - | 194 | 273 | 4,863 | 322 |
| Musculoskeletal Rehabilitation | 1,907 | 4,970 | 1,713 | - | 169 | 453 | 9,212 | 699 |
| Neuro/Stroke Rehabilitation | 866 | 1,670 | 853 | - | 94 | 260 | 3,743 | 248 |
| Wound | 1,983 | 647 | 362 | - | 123 | 168 | 3,282 | 193 |
| **Total** | **13,545** | **15,279** | **7,000** | **-** | **1,221** | **2,024** | **39,068** | **2,662** |

# PDGM Direct Care Productivity

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide |
|---|---|---|---|---|---|---|
| Total Work Days | 260 | 260 | 260 | 260 | 260 | 260 |
| Non-Work Days | | | | | | |
| PTO | 20 | 20 | 20 | 20 | 20 | 20 |
| Holidays | 6 | 6 | 6 | 6 | 6 | 6 |
| Personal Days | 10 | 10 | 10 | 10 | 10 | 10 |
| Time Available for Work | 224 | 224 | 224 | 224 | 224 | 224 |
| Administrative Time | 9 | 9 | 9 | 9 | 9 | 9 |
| Time Available to Visit | 215 | 215 | 215 | 215 | 215 | 215 |
| | | | | | | |
| Budgeted Productivity per Day (Un-Weighted) | 4.70 | 4.60 | 5.00 | 4.50 | 2.30 | 4.30 |
| | | | | | | |
| Total Visits Per FTE | 1,011 | 989 | 1,075 | 968 | 495 | 925 |

# PDGM Direct Care FTE Calculation

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide |
|---|---|---|---|---|---|---|
| Total Visits | 13,545 | 15,279 | 7,000 | - | 1,221 | 2,024 |
| | | | | | | |
| Visits Per FTE | 1,011 | 989 | 1,075 | 968 | 495 | 925 |
| | | | | | | |
| Required FTEs | 13.40 | 15.45 | 6.51 | - | 2.47 | 2.19 |
| | | | | | | |
| Actual FTEs | 11.75 | 14.00 | 6.00 | - | - | 2.50 |
| | | | | | | |
| Per Diem Requirement | 1.65 | 1.45 | 0.51 | - | 2.47 | (0.31) |

# PDGM Per Diem Calculation

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide |
|---|---|---|---|---|---|---|
| Total Visits | 13,545 | 15,279 | 7,000 | - | 1,221 | 2,024 |
| | | | | | | |
| Visits Per FTE | 1,011 | 989 | 1,075 | 968 | 495 | 925 |
| Actual FTEs | 11.75 | 14.00 | 6.00 | - | - | 2.50 |
| | | | | | | |
| Total Visits Per FTE | 11,873 | 13,846 | 6,450 | - | - | 2,311 |
| | | | | | | |
| Per Diem Visits | 1,671 | 1,433 | 550 | - | 1,221 | - |

# PDGM Direct Care Cost Calculation

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide |
|---|---|---|---|---|---|---|
| FTEs | 11.75 | 14.00 | 6.00 | - | - | 2.50 |
| | | | | | | |
| Full Time Staff - Hourly Rate | $ 32.06 | $ 46.22 | $ 43.06 | $ 42.46 | $ 28.64 | $ 13.86 |
| Number of hours worked per year | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 | 2,080 |
| Total Full Time Salaries & Wages | 783,546 | 1,345,926 | 537,389 | - | - | 72,072 |
| | | | | | | |
| Taxes & Benefits | 24% | 24% | 24% | 24% | 24% | 24% |
| Total Full Time Benefits | 185,700 | 318,985 | 127,361 | - | - | 17,081 |
| | | | | | | |
| Per Diem Visits | 1,671 | 1,433 | 550 | - | 1,221 | - |
| Per Diem Staff - Hourly Rate | 42.28 | 69.43 | 66.07 | 66.14 | 57.53 | 16.93 |
| Total Per Diem Salaries & Wages | 70,656 | 99,491 | 36,306 | - | 70,251 | - |
| | | | | | | |
| Taxes & Benefits | 14% | 14% | 14% | 14% | 14% | 14% |
| Total Per Diem Taxes | 9,680 | 13,630 | 4,974 | - | 9,624 | - |
| | | | | | | |
| | | | | | | |
| Total | 1,049,583 | 1,778,032 | 706,030 | - | 79,876 | 89,153 |

# PDGM Other Direct Care Cost Calculation

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide |
|---|---|---|---|---|---|---|
| Total Visits | 13,545 | 15,279 | 7,000 | - | 1,221 | 2,024 |
| | | | | | | |
| Milage Cost Per Visits | 2.73 | 2.60 | 2.53 | 3.10 | 3.62 | 2.62 |
| Required FTEs | 36,977 | 39,725 | 17,709 | - | 4,420 | 5,303 |
| | | | | | | |
| Billable Supply Cost Per Visits | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 | 2.04 |
| Required FTEs | 27,631 | 31,169 | 14,279 | - | 2,491 | 4,129 |
| | | | | | | |
| Routine Supply Cost Per Visits | 1.03 | 1.03 | 1.03 | 1.03 | 1.03 | 1.03 |
| Required FTEs | 13,951 | 15,737 | 7,209 | - | 1,258 | 2,085 |

# PDGM Impact Assessment

| | Skilled Nursing | Physical Therapy | Occupational Therapy | Speech Therapy | Medical Social Services | Home Health Aide | Total |
|---|---|---|---|---|---|---|---|
| Medicare Revenue | | | | | | | 7,395,121 |
| | | | | | | | |
| Full Time Staff - Hourly Rate | 783,546 | 1,345,926 | 537,389 | - | - | 72,072 | 2,738,934 |
| Per Diem Staff - Hourly Rate | 70,656 | 99,491 | 36,306 | - | 70,251 | - | 276,705 |
| Taxes & Benefits | 195,380 | 332,615 | 132,335 | - | 9,624 | 17,081 | 687,036 |
| | 1,049,583 | 1,778,032 | 706,030 | - | 79,876 | 89,153 | 3,702,674 |
| | | | | | | | |
| Mileage | 36,977 | 39,725 | 17,709 | - | 4,420 | 5,303 | 104,134 |
| Billable Supplies | 27,631 | 31,169 | 14,279 | - | 2,491 | 4,129 | 79,699 |
| Routine Supplies | 13,951 | 15,737 | 7,209 | - | 1,258 | 2,085 | 40,240 |
| | 1,128,141 | 1,864,664 | 745,228 | - | 88,045 | 100,670 | 3,926,748 |
| | | | | | | | |
| Gross Margin | | | | | | | 3,468,373 |
| | | | | | | | |
| | | | | | | | 46.90% |

# WHAT IF SCENARIO

# Overarching Principle

All financial recommendations and strategies should consider proper **balance** of desired results

# PDGM What if Scenario

**Medicare Statistics**

**Medicare PDGM Episodes**

| Clinical Group | Patient Total | % to total | Adjustments | Period 4 | Adjusted Patients | Period 1 | Period 2 | Period 3 | Period 4 |
|---|---|---|---|---|---|---|---|---|---|
| Behavioral Health Care | 18 | 1.10% | | 1.10% | 18 | 100.0% | 50.0% | 33.3% | 11.1% |
| Complex Nursing Interventions | 3 | 0.18% | | 0.18% | 3 | 100.0% | 133.3% | 100.0% | 33.3% |
| MMTA- Surgical Aftercare | 151 | 9.25% | -1.00% | 8.25% | 135 | 100.0% | 46.4% | 16.6% | 6.0% |
| MMTA- Cardiac/Circulator | 238 | 14.57% | 6.00% | 20.57% | 336 | 100.0% | 74.4% | 35.7% | 13.4% |
| MMTA- Endocrine | 46 | 2.82% | | 2.82% | 46 | 100.0% | 65.2% | 37.0% | 15.2% |
| MMTA- GI/GU | 135 | 8.27% | | 8.27% | 135 | 100.0% | 56.3% | 29.6% | 11.9% |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 94 | 5.76% | | 5.76% | 94 | 100.0% | 74.5% | 46.8% | 17.0% |
| MMTA- Other | 51 | 3.12% | | 3.12% | 51 | 100.0% | 54.9% | 29.4% | 11.8% |
| MMTA- Respiratory | 197 | 12.06% | 3.00% | 15.06% | 246 | 100.0% | 63.5% | 28.4% | 10.7% |
| Musculoskeletal Rehabilitation | 447 | 27.37% | -8.00% | 19.37% | 316 | 100.0% | 56.4% | 15.0% | 4.9% |
| Neuro/Stroke Rehabilitation | 149 | 9.12% | | 9.12% | 149 | 100.0% | 66.4% | 32.2% | 12.8% |
| Wound | 104 | 6.37% | | 6.37% | 104 | 100.0% | 85.6% | 61.5% | 28.8% |
| **TOTAL** | **1,633** | **100.00%** | **0.00%** | **100.00%** | **1,633** | | | | |

# PDGM What if Scenario

**Medicare PDGM Episodes**

| Clinical Group | Period 1 | Period 2 | Period 3 | Period 4 | Total | Prior Amount | Increase (Decrease) |
|---|---|---|---|---|---|---|---|
| Behavioral Health Care | 18 | 9 | 6 | 2 | 35 | 35 | - |
| Complex Nursing Interventions | 3 | 4 | 3 | 1 | 11 | 11 | - |
| MMTA- Surgical Aftercare | 135 | 62 | 22 | 8 | 227 | 255 | (28) |
| MMTA- Cardiac/Circulator | 336 | 250 | 120 | 45 | 751 | 532 | 219 |
| MMTA- Endocrine | 46 | 30 | 17 | 7 | 100 | 100 | - |
| MMTA- GI/GU | 135 | 76 | 40 | 16 | 267 | 267 | - |
| MMTA- Infectious Disease/Neoplasms/Blood-forming Dis | 94 | 70 | 44 | 16 | 224 | 224 | - |
| MMTA- Other | 51 | 28 | 15 | 6 | 100 | 100 | - |
| MMTA- Respiratory | 246 | 156 | 70 | 26 | 498 | 399 | 99 |
| Musculoskeletal Rehabilitation | 316 | 178 | 47 | 16 | 558 | 788 | (230) |
| Neuro/Stroke Rehabilitation | 149 | 99 | 48 | 19 | 315 | 315 | - |
| Wound | 104 | 89 | 64 | 30 | 287 | 287 | - |
| **TOTAL** | **1,633** | **1,052** | **497** | **192** | **3,373** | **3,313** | **60** |

# PDGM What if Scenario

| | What If? | Base Line | Total |
|---|---|---|---|
| Medicare Revenue | 7,522,764 | 7,395,121 | 127,643 |
| Full Time Staff - Hourly Rate | 2,738,934 | 2,738,934 | - |
| Per Diem Staff - Hourly Rate | 309,950 | 276,705 | 33,246 |
| Taxes & Benefits | 691,590 | 687,036 | 4,555 |
| | 3,740,475 | 3,702,674 | 37,801 |
| Mileage | 106,571 | 104,134 | 2,437 |
| Billable Supplies | 81,470 | 79,699 | 1,771 |
| Routine Supplies | 41,135 | 40,240 | 894 |
| | 3,969,650 | 3,926,748 | 42,903 |
| Gross Margin | 3,553,113 | 3,468,373 | 84,740 |
| | 47.23% | 46.90% | 0.33% |

# Cost Considerations

- Adjustments in forecasted costs due to PDGM should be considered
  - Changes in direct costs for episode management
    - Adjustments to visit utilization
      - Fewer therapy visits?
      - Additional visits from LUPA management?
      - Resources committed for overall episode management
      - Shifts in clinical grouping changing the patient mix
  - Changes in indirect costs for back office efforts
    - Intake or marketing strategies
    - Changes in revenue cycle management
    - Initiatives for coding, order, supply and episode management
    - Investments in technology and data resources

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

### CLINICAL ASPECTS OF PDGM

**Karen Vance, BKD**
**Laura Page-Greifinger, Quality In Real Time**

## Overview

With the implementation of PDGM there are many challenges that agencies will face from a clinical vantage point.

Documentation, coding, care planning and care coordination are at the top of the list of best practice clinical strategies that will need to be reviewed.

This session will take a look into the interdisciplinary care planning, case conferencing and case management that are going to be imperative in effectively transitioning to the PDGM model.

## Objectives

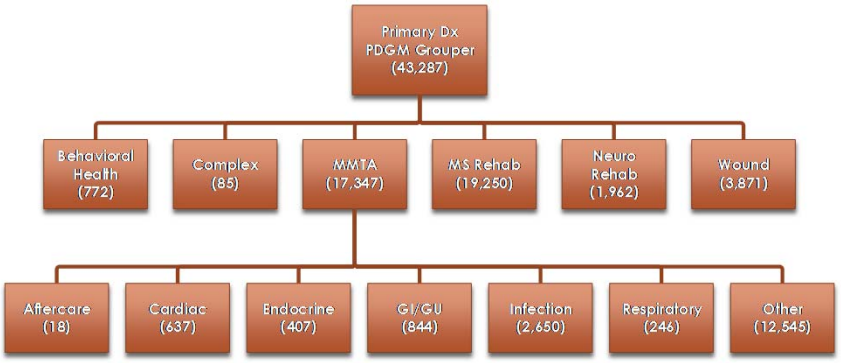
- Outline the ICD-10 Coding & OASIS ADL Section Impact on the Home Health Resource Group (HHRG) under PDGM.
- Describe how interdisciplinary care planning can manage cost effective and appropriate skill mix, including therapy utilization.
- Define the Clinical Manager role in the Clinical Team's success under PDGM, including the significance of effective case conferencing and case management.
- Outline best practice clinical strategies for managing LUPA thresholds as defined by PDGM.

# PDGM Coding Impact

## Overview

- Two of five broad categories calculating PDGM grouping models are factored on diagnosis coding
- Coding is based off the claims however the diagnoses on the POC needs to match the claim
- Several vendors/agencies are continuing to work with NAHC to work edit the acceptable primary diagnosis list & obtain further clarification

## Breakout of Acceptable Primary Diagnosis




## Unspecified/Symptom Codes

- CMS expects whenever possible, the more specific codes to be used
- They see code descriptions with “unspecified” in general not to be valid
- Some unspecified codes are allowed in such cases when the exact types of injury is unknow i.e. fractures
- They do expect home health clinicians to report laterality even if not documented by the provider
- CMS expects clinicians to investigate the cause of symptom codes, obtain provider confirmation and assign that code

## Muscle Weakness (M62.81)

- CMS has been citing since 2008 their concern with this code
- Has been in the top 5 primary diagnoses over the past several years
- CMS believes muscle wasting and atrophy codes would be more appropriate
- Agencies should begin to transition to those codes in 2019

## Changes in Primary Diagnosis

- "If the primary diagnosis changes between the first and the second 30-day periods, then the claim for the second 30-day period would reflect the new diagnosis and the providers would not change the claim for the first 30-day period"
- "A follow-up assessment would be submitted at the start of the second 30-day period to reflect the changes in the functional level and the second 30-day claim would be grouped into its appropriate case-mix group accordingly"

## Comorbidity Codes

- New language: "secondary diagnoses are only to be reported if they are conditions that affect patient in terms of requiring clinical evaluation; or therapeutic treatment; or diagnostic procedures; or extended length of hospital stay; or increased nursing care and/or monitoring"
  - Previous language include "potentially affect the patient's care"

## Comorbidity Adjustment

- No Comorbidity Adjustment
- Low Comorbidity Adjustment
  - One or more of 13 subgroups met
  - Consists of one dx from subgroup
    - Example: I11.0 Hypertensive heart disease with heart failure
- High Comorbidity Adjustment
  - One or more of 34 subgroup interactions met
  - Consist of one dx from two different subgroup
    - Example: J44.9 Chronic obstructive pulmonary disease, unspecified & L89.212 Pressure ulcer of right hip, stage 2

## Comorbidity Adjustment

- Only one comorbidity adjustment allowed
- Highest level will be assigned
- Adjusted payment amount is the same across the level adjustment
- CMS will continue to monitor if additional levels or subgroups need adjusting
- It is important to continue to follow coding guidelines and assign appropriate diagnosis in order to provide CMS data for analysis in the future

## Additional Considerations

- Make sure codes are updated as needed within the 30-day payment periods to ensure capture of proper case-mix group
- Claims with unacceptable primary diagnoses will be returned to the provider (RTP) and not considered a denial
- RTP claims can be recoded with more appropriate code as long as there is appropriate supporting provider documentation
- Coding guidelines still must be followed

# ADLs for PDGM

## 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-D Items proposed for use in determining Functional Level under PDGM

# OASIS Scoring - Functional

OASIS Points Table

| Variable | Response Category | Responses | Points |
|---|---|---|---|
| M1800: Grooming | 1 | 2, 3 | 4 |
| M1810: Current Ability to Dress Upper Body | 1 | 2, 3 | 6 |
| M1820: Current Ability to Dress Lower Body | 1 | 2 | 5 |
| | 2 | 3 | 11 |
| M1830: Bathing | 1 | 2 | 3 |
| | 2 | 3, 4 | 13 |
| | 3 | 5, 6 | 21 |
| M1840: Toilet Transferring | 1 | 2, 3, 4 | 4 |
| M1850: Transferring | 1 | 1 | 4 |
| | 2 | 2, 3, 4, 5 | 8 |
| M1860: Ambulation/Locomotion | 1 | 2 | 10 |
| | 2 | 3 | 12 |
| | 3 | 4, 5, 6 | 24 |
| M1033: Risk of Hospitalization | 4 or more items checked | From 1-7 | 11 |

# Functional Grouping

| | | |
|---|---|---|
| MMTA - Surgical Aftercare | Low | 0-24 |
| | Medium | 25-37 |
| | High | 38+ |
| MMTA - Cardiac and Circulatory | Low | 0-36 |
| | Medium | 37-52 |
| | High | 53+ |
| MMTA - Endocrine | Low | 0-51 |
| | Medium | 52-67 |
| | High | 68+ |
| MMTA - Gastrointestinal tract and Genitourinary system | Low | 0-27 |
| | Medium | 28-44 |
| | High | 45+ |
| MMTA - Infectious Disease, Neoplasms, and Blood-Forming Diseases | Low | 0-32 |
| | Medium | 33-49 |
| | High | 50+ |
| MMTA - Respiratory | Low | 0-29 |
| | Medium | 30-43 |
| | High | 44+ |
| MMTA - Other | Low | 0-32 |
| | Medium | 33-48 |
| | High | 49+ |

## Functional Grouping

| | | |
|---|---|---|
| Behavioral Health | Low | 0-36 |
| | Medium | 37-52 |
| | High | 53+ |
| Complex Nursing Interventions | Low | 0-38 |
| | Medium | 39-58 |
| | High | 59+ |
| Musculoskeletal Rehabilitation | Low | 0-38 |
| | Medium | 39-52 |
| | High | 53+ |
| Neuro Rehabilitation | Low | 0-44 |
| | Medium | 45-60 |
| | High | 61+ |
| Wound | Low | 0-42 |
| | Medium | 43-61 |
| | High | 62+ |

## Key to Accurate Payment is Accurate Data

- Interdisciplinary collaboration key under OASIS D and for best practice care planning under PDGM.
  - Can use case conferences on new SOCs for a 'consensus review' of items
  - Other time & cost-effective options are secure texting, EMR care coordination, etc.
- Assessing by observation is the ONLY method for accuracy
- Comprehensive ADL (OASIS) Assessment education program developed by therapists (PT & OT) for RNs with return demonstration
- Discipline-neutral (RN, PT, ST, OT) **competence in OASIS assessment process** is critical to gain and sustain accuracy

## Key to Accurate Payment is Accurate Data

- Dressing items include "ability to get clothes out of closets/drawers"
  - e.g., letting go of the walker while tugging on that drawer that sticks?
- Start by asking the patient about his/her routine:
  - e.g., where, when, and how do they go about their ADL routine
  - What have they changed about their routine and how recently?

## Key to Accurate Payment is Accurate Data

- Assessing ADLs in isolation does not capture accurate performance within the patient's daily routine
  - e.g., assessing patient with COPD for showering in a 'dry run' does not capture the effects of standing 20 minutes in warm moist air
  - e.g., assessing cardiac and respiratory patients in any ADLs will look different depending on the time of day, possibly affecting MMTA groupings

## Reflect on Own Data Collection Practice

- Unless prevented by state regulation, "Therapy Only" patients should be admitted by a PT (unless by ST) and ADL assessment completed by a therapist.
- Even if your therapists don't collect OASIS data on therapy only cases, assure ALL therapists are trained in OASIS item specific guidance to contribute to data accuracy collected by nurses
- Even if the GG items don't affect payment, consistency with OASIS is noted in medical review (remember response numbers are reversed!)

## Reflect on Own Data Collection Practice

- REMEMBER, the OASIS captures resources (payment) needed by the agency for episode of care, AND resources (help) needed by family to keep patient safely in his/her own home
  - Does the patient need assist from someone in the same room?
  - Does the patient need assist from someone in the same house?
  - Does the patient need assist for occasional reminders?

# Interdisciplinary Care Planning

*For Best Skill Mix, including Therapy Utilization
*For Best Clinical Outcomes
* For Best Financial Outcomes

## Where is Your Influence of Control?

- Influence on Revenue (payment)
  - Interdisciplinary collaboration on OASIS data collection
  - Interdisciplinary collaboration on correct selection of diagnoses
- Influence on Expenses (costs)
  - Interdisciplinary coordination of care to reinforce, but not duplicate
  - Interdisciplinary skill mix for the best person doing the right thing

## Where is Your Influence of Control?

- Influence on Quality (outcomes)
  - Interdisciplinary coordinated plans of action focused on 'at-risk' outcomes
  - Interdisciplinary reinforcement of patient engagement in the plan of care

## Collaboration on Key OASIS Items

- Review OASIS prior to data being transmitted
- Have a consensus discussion among all who saw the patient
- Ensure those who don't regularly collect data know the intent of each OASIS item and the response selections
- Resolve discrepancies by referring to the Guidance Manual

## Collaboration on Key OASIS Items

- Consider conditions present
  - Observation versus patient report
  - Time of day
  - Other variables, i.e., cueing, instructions, supervision, etc.
- Identify the most appropriate diagnoses are listed

## Interdisciplinary Care Coordination

- Coordinate visits for daily coverage, *if necessary*, in first weeks to reduce hospitalization, not just frontloading nursing visits
- Identify risks and discuss the role each person who walks in the house has in reducing hospitalization risks
- Share and discuss what the patient identifies as his/her goal

## Interdisciplinary Care Coordination

- Coordinate with Remote Patient Monitoring, reducing need for additional visits
- Identify generalized skill sets to be reinforced each visit (vital signs, medication adherence, etc.)
- Identify unique skill sets and when to capitalize on each discipline

## Interdisciplinary Approach to Outcomes

- Interdisciplinary participation on QAPI committee
- Identify targeted 'at risk' outcomes for improvement
- List parameters identifying patients 'at risk' for outcome decline
- Develop Plans of Action to impact outcomes on 'at risk' patients

## Interdisciplinary Approach to Outcomes

- Influence outcomes for 'at risk' patients before they occur
- Develop culture of patient engagement in individualized plans of care for optimized participation and ownership in managing conditions
- Taper frequencies to allow patients to better 'self-manage' and increase 'in-between visit progress'

## Therapy Contribution to Outcomes

- Therapists must learn to connect their practice to outcomes achieved replacing number of visits performed
- Consider appropriate plans of care for the typical chronic conditions prevalent in home health, not just "muscle weakness"
  - Pursed lip breathing for respiratory conditions
  - Energy conservation for all chronic conditions

## Therapy Contribution to Outcomes

- Medication routines as the most important activity of daily living
- Increased general activity integrated into daily routines instead of the 'HEP'
- Home modification to improve safety intuitively

- Partner with the Aide to reinforce newly acquired skills by the patient, such as transfers, dressing, bathing, etc.

## Byproduct of Interdisciplinary Care

- Get the right payment
  - Collaboration on data and coding accuracy
- Use the payment right
  - Coordinate discipline skill mix and visits
  - Reduced number of visits per patient through tapered frequency

## Byproduct of Interdisciplinary Care

- Improve clinical outcomes
  - Integrated approach focuses on targeted outcomes
  - Patient engagement improves management of condition
- Improve financial outcomes by doing what's right for the patient

# PDGM Clinical Operations

*Role of Case Manager and Clinical Manager in PDGM Implementation

## What is Case Management?

- Collaborative process to assess, plan, implement, coordinate, monitor and evaluate options and services to meet the patient's health needs
- An entire interdisciplinary team working toward collaborative goals determined by the patient, family and healthcare team
- Management of a team of patients by the Clinical Manager and individual caseloads by the Primary Case Manager (Primary Care Clinician)

## Case Management Components

- Primary Case Manager
  - Primary Care Clinician for patient
    - RN unless Therapy-Only
  - Responsible for coordination of care provided
- Team
  - Disciplines assigned to patient
  - Goal driven rather than task oriented > coordinated care
    - Works together to meet patient care goals
    - Supports patient-centric care
    - Focuses on improvement in patient outcomes and optimal service delivery

## Case Management Components

- Visit clinicians
  - May be utilized by an agency to support Primary Clinician (ex: RN/LPN, PT/PTA, OT/COTA)
  - Remote Patient Monitoring possibly utilized
- Small teams=consistency of staff

## Case Management Process

- Begins at time of referral and continues through discharge
- Responsibility of entire team
- Each team member plays integral role:
  - Achieve highest quality
  - Best clinical outcome
  - Highest patient/family satisfaction
  - Efficient use of resources

## Benefits of Case Management

- Patient and Family Centered Care
  - Core concepts are central to care/case management
    - Patient centric care
    - Dignity and respect
      - Active listening-respect patient/family goals
    - Information sharing
      - Timely and meaningful sharing of information between team members and practitioners

## Benefits of Case Management

    - Participation
      - Patients/families are encouraged/supported in participating in decision making and care planning
    - Collaboration
      - Patient/family centered care drives implementation of programs, care delivery methods, education/training

- Improved visit utilization/episode management

# ROLE OF THE PRIMARY CASE MANAGER
## IN CASE MANAGEMENT AND PDGM

## Primary Case Manager

- Primary Care Clinician with responsibility for the patient's total plan of care
- Pairs with Visit Clinicians from all disciplines who provide care to patients based on plan of care
  - Considering Remote Patient Monitoring
- Works collaboratively to implement and revise plan of care with all team members
- Works to keep team members to ensure continuity of care, goal achievement, patient and staff satisfaction

## Primary Case Manager

- Patient advocate from Admission to Discharge
- Professionally accountable and responsible for the patient's continuity of care
- Develops a therapeutic relationship with the patient and patient's family/caregiver
  - Involving them in the patient's care

## Primary Case Manager

- Manages collaborative decision-making
  - During the entire length of stay/episode
- Identifies the patient's unique health needs and priorities, establishes an individualized plan of care, and communicates that plan to other members of the team
- Communicates the case manager role with patient, family and members of multi-disciplinary team

## Primary Case Manager Skill Set

- Skilled communicator
- Skilled clinician
- Critical thinker
- Skilled in patient assessments/OASIS
- Utilizes sound judgment
- Skilled in documentation
- Understands Reimbursement Complexities
- Understands Episodic Management
- Self-directed and innovative
- Effective decision maker
- Organized
- Excellent time management skills
- Empowered and accountable

## Primary Case Manager Responsibilities

- Accuracy of SOC OASIS
  - Discuss with therapy functional assessment
- Realistic Goals
  - Discuss with patient and team
- Teamwork
  - Align and Reinforce
  - Facilitate interdisciplinary communication and coordination

## Primary Case Manager Responsibilities

- Case Conferencing
  - Admission
  - Every 2 weeks
  - Prior to discharge
- Accuracy of Transfer/Discharge OASIS

# THE CLINICAL MANAGER ROLE
## IN CASE MANAGEMENT AND PDGM

## Role of the Clinical Manager

- Clinical oversight, metric achievement, staff development and supervision, daily team management
- Oversight of Patient assignment to case managers
- Review/assessment with case managers for plan of care and visit utilization
- Monitors coordination and implementation of care plan, recerts, discharge planning and related activities

## Role of the Clinical Manager

- Reviews staff assignments, caseloads and team productivity to promote efficient use of resources
- **HOLD STAFF ACCOUNTABLE:**
  - Visit utilization, care plan updates, coordination, documentation (timeliness, completion, accuracy),follow up, management/monitoring of patient outcomes/satisfaction

## Clinical Manager Role - Outcomes

- Clinical Managers can have a significant impact on the quality outcomes for team
  - Front line – oversee where the action is
  - Oversee care being provided by staff
  - Know strengths and weaknesses of staff
    - Know who needs more training
    - Know who your experts are


## Clinical Manager Role - Outcomes

– Can make an immediate impact on outcomes
  - Assigning of cases
  - Overseeing caseloads with Case Managers
  - Providing feedback and guidance
    - Clinical care
    - Best use of resources
      - Staff, Supplies

# STRATEGIES FOR EFFECTIVE CASE MANAGEMENT/ UM/EPISODE MANAGEMENT OVERSIGHT

## Case Management Process (Examples)

- Patient Care Conferences
  - Interdisciplinary conferences and individual case review updates and care conferences are essential to obtain information for care planning and achieving collaborative goals
- **ONE SIZE DOES NOT FIT ALL**

## Case Management Process (Examples)

- Agencies need to determine the best way to ensure:
  - Interdisciplinary team communication
  - Care Coordination
  - OASIS Accuracy
  - Accurate Care Plans
  - Appropriate Visit Utilization and Service Delivery
  - Compliance with Regulatory and Documentation requirements
  - Optimal Patient Care Outcomes

## Case Management Process (Examples)

**Team Update/Case Conference**

- Led by case manager assigned to patient every week or biweekly and includes all Pod members in person, by phone or tele-meeting.
- Within 1 week to ensure OASIS accuracy and care plan updates.
- Agency may choose to conduct daily clinical pod huddles for staffing and pertinent updates.

**Individual Case Review**

- May be held by Primary Care Clinician & Clinical Manager within 24 hours of admission, prior to recert/discharge & at least biweekly.

## Case Management Process (Examples)

- Preparation includes review of patient record, new or change in symptoms, diagnoses, caregiver or status, living environment; and verification of orders, visits and supervisory visits
- Discussion includes patient goals, expected timetables, current assessment, barriers to care, Discharge plan team goals and implementation strategies
- Ensure optimal Utilization Management/Episode Management/Resource utilization.
- Consider use of Remote Patient Monitoring

## Utilization Management (UM)

- UM activities evaluate many aspects of patient care
  - Timeliness of services
  - Number of visits per episode
  - Number of visits per discipline
  - Costs per episode
  - Length of stay
  - LUPA management*
- UM oversight is the responsibility of the Clinical Manager and Case Manager with individual responsibility of visits by each discipline

## UM Implementation Strategies

- Areas of Focus under PDGM (Concurrent):
  - Length of Stay (Managing visit frequency in 30 day episode.
  - LUPAs*
  - Outliers
  - Wound Care
  - Patients with chronic illness (CHF/COPD/DM)
  - History of frequent hospitalizations
  - More than 5 prescription medications daily
  - Caregiver/living situation concerns

## UM Implementation Strategies

- Areas of Focus (Retrospective):
  - Emergent Care
  - Acute Care Hospitalization
  - Falls
  - Other adverse events

## Key Things to Know About PDGM/LUPAs

- LUPA thresholds range between 2-6 visits under PDGM
- PDGM LUPA 'speak' is that you will be paid by the visit for visits less than the threshold (EX: A '4 visit LUPA' means reimbursement by the visit if below 3 visits)
- LUPA thresholds vary based on clinical grouping and episode timing
- Clinical Groupings with highest LUPA % are in complex nursing, MS Rehab and in Wounds clinical groupings(2nd 30-day period)
- LUPA thresholds will be evaluated annually by CMS

## Are Your LUPAs Appropriate?

- Randomly review about 25 episodes with LUPAs monthly for next 2 months
- Determine if LUPAs are clinically appropriate by asking these questions:
  - Was the episode front loaded "if clinically appropriate" at SOC/ROC to potentially reduce chance for rehospitalization?
  - Does patient's clinical picture match visit utilization provided?
  - Was LUPA a result of missed visits, staffing issues, not homebound, patient refusal, and/or scheduling issues?
  - Did patient require more visits to meet goals/improve outcomes?
  - Were the right disciplines added at SOC/ROC?
- From findings of audit, determine your internal benchmark and, develop an action plan to address trends in inappropriate LUPAs cases

## HHRG Payment Followed By 30-Day Period LUPA Payments

- Analyze 2017 data to determine which 30-day periods may fall into LUPA episodes
- For LUPA episodes of 2 or < visits in 2nd 30-day period, determine if those visits are impacting clinical outcomes of the patient
- If you moved those 1-2 visits into first 30-day period, would it impact the patient's outcomes?
- Case Management remains essential for each 30-day period

## Critical Success Factors

The success of the Case Management process is dependent on:

- Seamless, consistent and timely communication
- Care coordination between disciplines/team
- Efficient and effective patient visit scheduling
- Staff continuity

## Critical Success Factors

- Clinical Manager support and oversight
- Management information availability and monitoring
- Understanding the clinical team impact on outcomes

***Failure of any single factor can result in failure of the entire process.***

## Questions?

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT


## PDGM OPERATIONS INTAKE


**Raymond Belles, BKD**

**Aaron Little, BKD**

PDGM Rule changes will affect the overall strategy & practices of how Home Health Providers approach referral development and the characteristics of what defines a desirable referral source.

Considerations may include the:

- Clinical complexity of the referral source's patients;
- Quality of patient transition processes;
- Extent the referral source's patients are the result of an acute admission;
- Frequency of referral source's patients that had home health services in the preceding 60 days; and
- Ability to rely on the diagnosis documentation provided by the referral source.

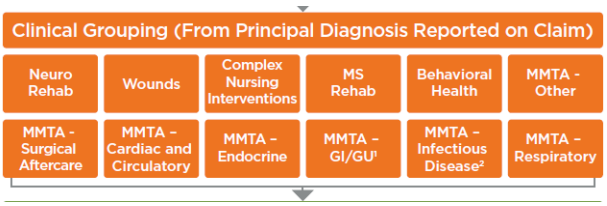
# Outline of Impact Areas

- Clinical Grouping by Diagnosis Code and Reimbursement
- Comorbidities & the Completeness of Referral Information
- Early vs. Late Episode Determination
- Community vs. Institution Determination
- Internal PDGM Steering Committee
- Relationships/Marketing
- Education for Referral Sources
- Intake Checklist "must haves"
- Keys to Success

# Clinical Grouping

Episodes are grouped into one of twelve Clinical Groupings:

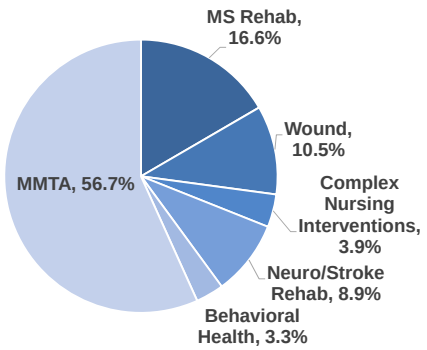
- Musculoskeletal rehabilitation
- Neuro/stroke rehabilitation
- Wounds
- Complex nursing interventions
- Behavioral health care
- 7 Distinct Medication management, teaching, and assessment (MMTA)




Source: CMS.gov

# Clinical Grouping

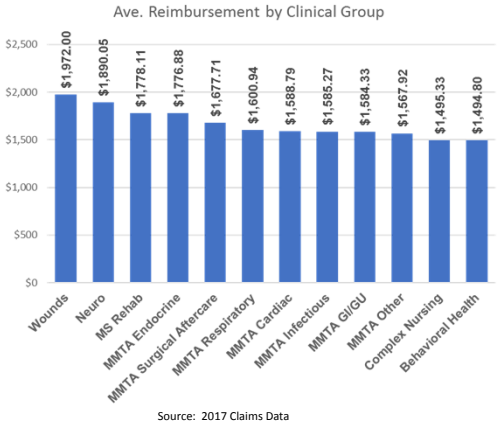
Estimated Periods by Clinical Grouping Provided by CMS




Source: CMS.gov

# Clinical Grouping

- Primary Diagnosis Determines Clinical Grouping
- If Primary diagnosis code is not considered a HH diagnosis code episode will not be paid
- Top Paying Clinical Grouping only accounts for 10.5% of patients




Source: 2017 Claims Data

# Clinical Grouping

- Evaluation of Referral Sources:
  - What Clinical Groupings will be referred by which physicians and facilities
  - Therapy Visits no longer major driver for reimbursement
    - Increase focus on management of therapy
    - Overall utilization management and best practice
  - Wound care now top paying clinical grouping
    - Effective management of service, can be costly
  - Need to collect significant amount of data for coding
    - Primary & up to 24 Secondary Diagnosis

# Comorbidities

- Up to 24 Additional Diagnosis Codes can be used to support Comorbidity Add-Ons
  - Referral Sources to include on referral form, how does agency confirm completeness & accuracy?
  - Special consideration needs to be given to each code when developing the plan of care

| Comorbidity | None | One | Two or More |
|---|---|---|---|
| Recast claims data: Average full period payment | $1,642.03 | $1,716.06 | $1,998.19 |
| Average Comorbidity add-on | - | $74.03 | $356.16 |

Source: 2017 Claims Data

# Early vs. Late Determination

- Currently, an episode is considered early for the first **120 days** of care
  - PDGM changes this to **30 day billing periods**
    - Only the first claim is early
    - 34% average reduction in reimbursement for early / late change

| Early vs. Late | Average Full Period Payment |
|---|---|
| EARLY | $2,147.39 |
| LATE | $1,428.37 |

Source: 2017 Claims Data

# Institutional vs. Community

- Only the 1st 30-day period will be considered **"Institutional"**
  - All subsequent periods to be considered "Community"

| Community vs. Institutional | Average Full Period Payment |
|---|---|
| Institutional | $2,260.65 |
| Community | $1,545.51 |

Source: 2017 Claims Data

- Determination made by looking back at 14 days prior to admission to look for institutional stay

# Payment Impact: 1st 30 day period vs. 2nd 30 day

Primary Dx Infection of amputation stump, right lower extremity

- Early & Institution – $2,112.75
  - 11 Visits
  - Clinical Grouping = MMTA Infection
  - Low Comorbidity
  - Functional Score of 41
- Late & Community -- $1,146.40
  - 11 Visits
  - Clinical Grouping = MMTA Infection
  - Low Comorbidity
  - Functional Score of 41

## Relationships/Marketing

- Evaluation of current referral sources and primary diagnosis of patient population
- Assess referral market and ability to strengthen referral relations
- Explore joint venture opportunities with acute settings to increase institutional referrals

## Develop Internal Steering Committee for PDGM Focus

- Identify key members across the agency
  - Sales/Intake
  - Clinical Operations
  - Quality
  - Finance/Revenue Cycle
- Collaborate on drivers and obstacles

## Intake Referral Process

- Changes to Process
- Ease of Referral
- Development of Checklist
  - What are the key components needed to support coding, determination of institutional vs community, etc.
  - Asking the right questions and gathering the right information vs just accepting what is sent over
- Create "scripting" for intake staff to use with referral sources

## Must Have Items on Checklist

- Primary diagnosis for home health
- Query for any general diagnoses
- Physician face-to-face encounter note: reason for home health (diagnosis) aligns with primary diagnosis
- Source of referral: community/institutional
- Services requested: validated by diagnoses /conditions
- Facility/physician documents to support the need for home health and the services ordered

## Education for Referral Sources

- About PDGM and the impact on home health
- Referral checklist of crucial information
- Analytics of the referral's patients and how they compare to your agency patient population
  - Community vs Institutional
  - Top diagnosis codes
  - Specialty programs
- Why to refer to your agency
  - STAR ratings, HH Compare, etc.

## Keys to Success

- The following areas are key to intake success:
  - Training and Staffing Needs
  - Organization Structure – Central vs Regional
  - Evaluation of Staff
  - Tools to Increase Efficiency

# Keys to Success

- Training and Staffing Needs
  - Staff/Referral sources need to understand PDGM
  - Drivers of Revenue (Community vs. Institutional, Early vs. Late, Coding and comorbidities etc.)
  - Potential for higher admissions and fewer recerts
  - Greater understanding of coding and requirements
  - Employees with coding expertise and customer service focused
  - Reduction in Intake Efficiency
    - Calls to referrals for more info; increased coding

# Keys to Success

- Central vs. Regional Intake Model
  - Central:
    - Creation of subject matter experts
    - Allow for prioritization of referrals over other duties
    - Ability to flex with volume/increased admissions
  - Regional (agency level):
    - Opportunity to strengthen referral source relations
    - Individualized training
    - Utilization of liaisons within facilities

# Keys to Success

- Evaluation of Staff
  - Quality Assurance reviews of information gathered
  - Post-intake evaluation of the following information to review quality and potential missed reimbursement:
    - Referral Source
    - Episode Timing
    - Coding (including comorbidities)

# Keys to Success

- Tools to Improve Efficiency
  - EMR feature functionality
  - Utilization of a Document Management Systems
  - Increase e-Referrals
  - Establish referral checklist to streamline

# Downstream Effect from Intake

- It All Starts at Intake
  - Correct Determinations to Prevent Billing/Revenue Issues:
    - Early vs. Late Period
    - Community vs. Institutional
    - Coding – Homecare Primary Diagnosis and all comorbidities
    - Paperwork correct & complete

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## PDGM Operations

### Revenue Cycle

# Glossary

- CMS – Centers for Medicare & Medicaid Services
- CWF – Common working file
- EMR – Electronic medical record software system
- HH – Home health
- HHA – Home health agency
- HIPPS – Health Insurance Prospective Payment System
- IPF – Inpatient psychiatric facility
- IRF – Inpatient rehabilitation facility



# Glossary

- LTCH – Long term care hospital
- LUPA – Low utilization payment adjustment
- MAC – Medicare Administrative Contractor
- MA – Medicare Advantage
- NRS – Nonroutine medical supplies
- OASIS – Outcome and Assessment Information Set
- PDGM – Patient Driven Groupings Model
- PEP – Partial episode payment

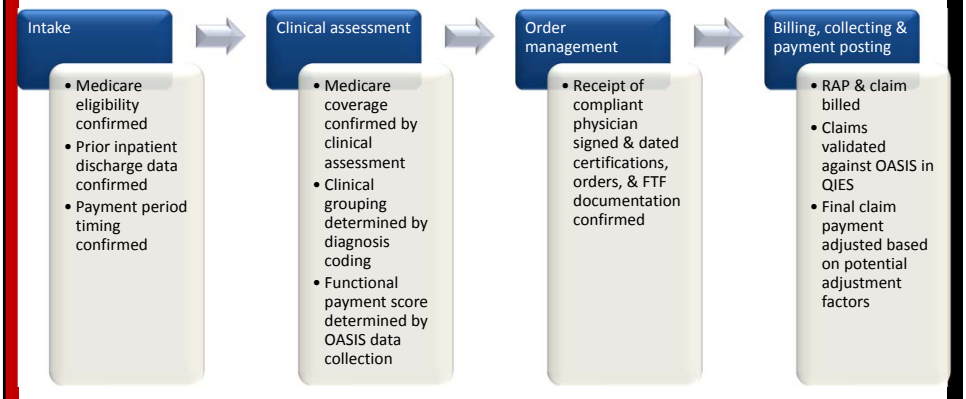
# Glossary

- PPS – Prospective Payment System
- QIES – Quality Improvement and Evaluation System
- RAP – Request for anticipated payment
- ROC – Resumption of care
- SNF – Skilled nursing facility



# PDGM Revenue Cycle

## SOC or Recertification 30-Day Payment Periods



# PDGM Revenue Cycle

## Subsequent 30-Day Payment Periods

**Scheduling**
- New payment period determined

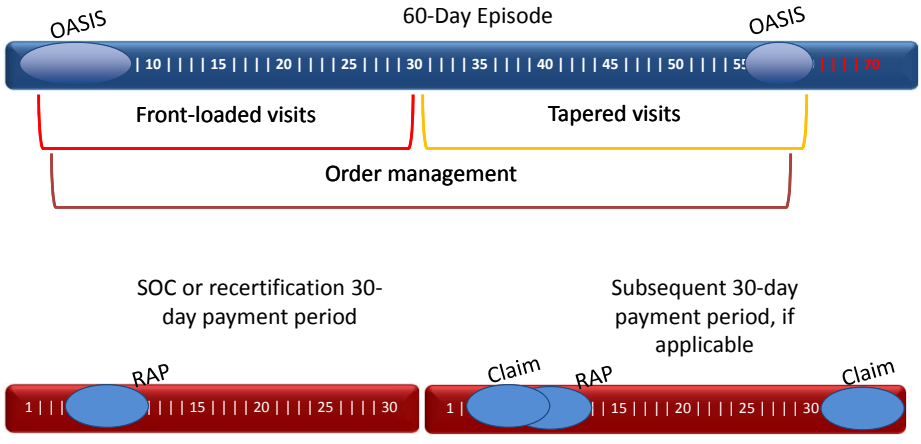
**Clinical assessment**
- Continued Medicare coverage confirmed by clinical team
- Clinical grouping determined by diagnosis coding
- Functional payment score determined by most recently completed OASIS

**Order management**
- Timely receipt of physician signed & dated certifications, orders, & FTF documentation confirmed

**Billing, collecting & payment posting**
- RAP & claim billed
- Claims validated against OASIS in QIES, *if applicable*
- Final claim payment adjusted based on potential adjustment factors

# PDGM Revenue Cycle

## 30-Day Payment Periods



# Admission Source & Timing

# Admission Source

- Definition
  - Institutional payment periods
    - SOC or recertification 30-day payment periods
      - Acute or post-acute inpatient discharge 14 days prior to period
    - Subsequent 30-day payment periods
      - Acute inpatient discharge 14 days prior to period
      - Post-acute inpatient stay during HH episode requires discharge from HH services
    - Institutional designation applies to inpatient stays covered by all payers
  - Community payment periods
    - All other payment periods

# Admission Source

- Data collection points
  - Required for each 30-day payment period
    - SOC or recertification 30-day payment periods
      - Intake & clinical assessment process
        - » Admission source data required on OASIS assessment
    - Subsequent 30-day payment periods
      - Clinical assessment process



# Admission Source

- Claim coding requirements
  - Inpatient discharge dates required to be reported on claims when inpatient stay paid by payer other than Medicare
    - Occurrence codes PROPOSED to report inpatient discharge dates, *if applicable*
  - PENDING CMS GUIDANCE inpatient discharge dates optional to be reported on claims when inpatient stay paid by Medicare
    - Correct payment to HH for institutional status dependent on inpatient facility to correctly submit claim

# Timing

- Definition
  - Early payment periods
    - SOC period only
      - Must be more than 60 days between end of one period & start of another period
  - Late payment periods
    - All subsequent periods
    - SOC period
      - If less than 60 days since end of prior period
  - Episode timing applies only to traditional Medicare covered HH services



# Timing

- Data collection points
  - Required for each 30-day payment period
- Claim coding requirements
  - Similar to reporting of episode timing under PPS
    - Claims paid according to Medicare CWF history

# Claims Submission & Payment Processing

# RAPs

- Required for each 30-day payment period
  - CMS indicated median of 12 days to bill RAPs based on 2017 claims data
  - Not subject to 14-day payment floor & typically pay in 7 to 10 days
  - No payment for HHAs Medicare certified in 2019 or thereafter
    - HHAs required to submit "no-pay" RAPs
- Could potentially be phased out pending future rulemaking
  - RAPs possibly eventually replaced by a Notice of Admission billing transaction

# RAPs

- Billing requirements
  - SOC or recertification payment periods
    - Same as current PPS requirements
  - Subsequent payment periods
    - Updated inpatient discharge &/or diagnosis coding documented, *if applicable*
    - OASIS assessment has been completed, *if applicable*
      - *When applicable,* payment for functional score used from ROC or other follow-up OASIS rather than SOC or recertification OASIS
    - First billable visit has been completed



# RAPs

- Billing requirements (continued)
  - Must be in "paid" status before corresponding claim can be billed & paid
  - Subject to auto-cancellation & payment recoupment by MAC when corresponding claim is not successfully received timely
    - 60 days from end date of 30-day payment period, or
    - 60 days from date RAP is paid,
    - Whichever date is greater

# RAPs

- Example 1
  - 01/05/20 SOC visit
  - 01/12/20 SOC OASIS completed & POC sent to physician
  - 01/21/20 Transfer OASIS completed
  - 01/24/20 ROC OASIS completed
  - 03/01/20 discharge

***01/13/20 Payment period 1 RAP billed***
***01/23/20 Payment period 1 RAP paid***

***02/04/20 Payment period 2 begins***
***02/07/20 First billable visit performed***
***02/08/20 Payment period 2 RAP billed***
***02/18/20 Payment period 2 RAP paid***



# RAPs

- Example 2
  - 01/05/20 SOC visit
  - 01/12/20 SOC OASIS completed & POC sent to physician
  - 03/01/20 discharge

***01/13/20 Payment period 1 RAP billed***
***01/23/20 Payment period 1 RAP paid***

***02/04/20 Payment period 2 begins***
***02/07/20 First billable visit performed***
***02/08/20 Payment period 2 RAP billed***
***02/18/20 Payment period 2 RAP paid***

# Claims

- Required for each 30-day payment period
  - Not required to be billed sequentially
    - Required to have corresponding RAP in "paid" status
  - Subject to 14-day payment floor
  - Paid full claim amount less recoupment of RAP payment
  - Subject to payment recoding & adjustments, *if applicable*
- Continue to be subject to 2% payment reduction for sequestration



# Claims

- Billing requirements
  - All payment periods subject to same billing requirements as PPS claims
  - OASIS validation
    - Claims for SOC or recertification 30-day payment periods subject to OASIS validation
      - Same requirements as current PPS claims
    - PENDING CMS GUIDANCE regarding claims for subsequent 30-day payment periods

# Payment Recoding

- Claim payments subject to recoding
  - Payment period timing
    - Claim payments to be automatically recoded for early or late status based on paid claims history on Medicare CWF
  - Admission source
    - Claim payments to be automatically recoded for community or institutional status based on paid claims history on Medicare CWF
      - Unless appropriate occurrence codes billed on claim to indicate inpatient discharge covered by payer other than Medicare



# Payment Adjustments

- LUPAs & add-on
  - Paid same methodology as PPS but LUPA threshold applied to case-mix specific 30-day payment period
- PEPs
  - Paid same methodology as PPS but prorated over 30-day payment period
- Outliers
  - Paid same methodology as PPS but outlier cost & threshold measured over 30-day period

# Claims

- Example 1
  - 01/05/20 SOC visit
  - 01/12/20 SOC OASIS completed & POC sent to physician
  - 01/21/20 Transfer OASIS completed
  - 01/24/20 ROC OASIS completed
  - 03/01/20 discharge

*01/13/20 Payment period 1 RAP billed*
*01/23/20 Payment period 1 RAP paid*

*02/03/20 Payment period 1 ends*
*02/04/20 Payment period 2 begins*
*02/07/20 First billable visit performed*
*02/08/20 Payment period 2 RAP billed*
*02/13/20 Payment period 1 claim billed*
*02/18/20 Payment period 2 RAP paid*
*02/28/20 Payment period 1 claim paid*

*03/01/20 Payment period 2 ends*
*03/10/20 Payment period 2 claim billed*
*03/25/20 Payment period 2 claim paid*



# Claims

- Example 2
  - 01/05/20 SOC visit
  - 01/12/20 SOC OASIS completed & POC sent to physician
  - 03/01/20 discharge

*01/13/20 SOC RAP billed*
*01/23/20SOC RAP paid*

*02/03/20 Payment period 1 ends*
*02/04/20 Payment period 2 begins*
*02/07/20 First billable visit performed*
*02/08/20 Payment period 2 RAP billed*
*02/13/20 Payment period 1 claim billed*
*02/18/20 Payment period 2 RAP paid*
*02/28/20 Payment period 1 claim paid*
*03/01/20 Payment period 2 ends*
*05/03/20 Payment period 2 RAP auto-canceled*
*05/15/20 Payment period 2 RAP rebilled*
*05/25/20 Payment period 2 RAP repaid*
*05/30/20 Payment period 2 claim billed*
*06/13/20 Payment period 2 claim paid*

# Claims Submission & Payment Processing

## Revenue Cycle Operational Issues

- Data collection timing
  - Admission source & timing data collection required for each 30-day payment period
  - Diagnosis coding requirements for billing transactions
- Documentation management
  - POC remains applicable for 60-day episode vs. 30-day payment period while interim orders may apply to only one 30-day payment period
  - Visit & NRS documentation confirmation required for billing each 30-day payment period vs. 60-day episode

## Revenue Cycle Operational Issues

- Personnel demands
  - Additional billing & payment posting transactions due to shorter payment periods of only 30-days vs. 60-days
- Cash flow issues
  - Smaller, more frequent RAP & claim payments
  - No RAP payments for HHAs Medicare certified in 2019 & thereafter
    - Additional issues created for payment posting functions



# PDGM NATIONAL SUMMIT

### A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## PDGM Operations

### Order Management

## Order Management Gap Analysis

- What is your frequency for sending orders out?
  - As frequently as possible but no less than twice a week
- How are orders sent out and received? – mail, fax, courier, email, portal
- What is current average return time?
  - Varies on method of delivery and receipt
  - Goal should be less than 7 days
- What education needs to take place with physicians?

## Order Management Gap Analysis

- Who verifies the physician signed **and** dated the orders?
- How do you track orders being returned?
  - Utilize EMR to track orders not separate spreadsheets
- What are agencies timelines for following up on outstanding orders?
- Does agency have a designated person for follow up?

# Order Management Best Practice

- Utilizing EMR/third party software track date sent – this is counted as day 1
- Day 7 – orders not back are resent
- Day 14 – orders not back are resent with call to physician office to confirm receipt and follow up status
- Day 21 – orders not back - notify clinical manager who places follow up call to physician office
- Day 28 – orders not back – Clinical Leader contacts physician office
- Other things to consider:
  - Each step is documented in EMR
  - During monthly staff meetings discuss with clinical managers, case manager, intake and other staff on any trends with outstanding orders

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## PDGM Operations

### Supply Management

# Non Routine Supply

- PDGM payment includes NRS in methodology
- Patient Grouping most likely to require high NRS
  - Wound and Complex Nursing
    - These groups comprise 14% of all 30 day periods of care
    - 47% of all NRS charges fall into these groups
- LUPA payment includes NRS reimbursement in per visit cost
- Agencies need to ensure that supply cost is included on claims

# Gap Analysis: Supply Management

- How are supplies requisitioned?
  - How do you ensure supplies used are attached to patient claim ?
  - How does staff report and request "trunk stock" usage?
- Do you have onsite supply closet?
  - How do you control access?
- Do you utilize drop shipping supplies?
- Do you have a supply formulary and how often do you review?
- Do you have "rules" in place related to quantity or dollar limits assigned to each order?
  - Who is allowed to override this?

# Supply Management Best Practice

- Medical Supplier
  - Drop shipment available
  - Clinician direct order
  - Formulary with nonformulary supply approval rights assigned to clinical manager
  - Emergency supply closet stock at minimum – avoid specialty wound products
    - If specialty wound product ordered request interim order for stocked dressing until available
- If you using supply closet:
  - Closet is locked with only designated staff access
  - Written supply request completed prior to removal of supplies
  - Minimum stock levels
  - Designated nonclinical person to manage supplies
  - Car stock must submit request for refill that indicates patient and supplies used

# Supply Management Best Practice

- Reports
  - Monthly review by patient/clinician level
  - Monthly review of supply closet utilization
  - Monthly to quarterly review of cost by diagnosis
  - Quarterly nonformulary supply usage
- Minimum Annual Review
  - Supply utilization with supplier
  - Cost comparison with supplier
  - Shipping fees
  - Formulary Update

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## PDGM OPERATIONS

### LUPA MANAGEMENT

## LUPA Thresholds

- Variable thresholds based on HHRG
  - Different level for each of the 432 HHRGs
  - Utilize 10th percentile value of visits for each threshold
  - LUPA reimbursement is per visit (as prior PPS)

# LUPA Thresholds

| Visit Threshold | HHRGs | % |
|---|---|---|
| **2** | 94 | 21.8% |
| **3** | 128 | 29.6% |
| **4** | 137 | 31.7% |
| **5** | 63 | 14.6% |
| **6** | 10 | 2.3% |

# LUPA Thresholds by Clinical Group

| Clinical Group | 2 | 3 | 4 | 5 | 6 |
|---|---|---|---|---|---|
| Behavioral Health | 12 | 9 | 15 | | |
| Complex | 16 | 13 | 6 | 1 | |
| MMTA - Cardiac | 6 | 9 | 17 | 4 | |
| MMTA - Endocrine | 4 | 14 | 13 | 5 | |
| MMTA - GI/GU | 9 | 12 | 13 | 2 | |
| MMTA - Infectious | 10 | 21 | 5 | | |
| MMTA - Other | 5 | 11 | 10 | 10 | |
| MMTA - Respiratory | 9 | 8 | 16 | 3 | |
| MMTA - Surgical Aftercare | 9 | 10 | 12 | 5 | |
| MS Rehab | 7 | 3 | 8 | 12 | 6 |
| Neuro | 6 | 5 | 9 | 12 | 4 |
| Wound | 1 | 13 | 13 | 9 | |
| **Grand Total** | **94** | **128** | **137** | **63** | **10** |

## Where to Start With Managing LUPA

- Start with LUPA analysis on 2017 LUPA data from CMS as snapshot
- Develop dashboard for ongoing team management (finance/clinical)
- Dashboard evaluation includes:
  - Timing of the LUPA in payment period (Days 1-30, early/late)
    - Days from SOC evaluations completed
    - Visit frequency of disciplines
    - Diagnosis
  - LUPA Anticipated or Unanticipated
  - Reasons for LUPA
    - Homebound status
    - Physician request discharge
    - Patient refusal
  - Were patient outcomes achieved?

## Where To Start: Managing LUPAs

- Education Opportunities:
  - Clinical managers/clinical staff on LUPA impact both financially and on patient outcomes
  - Physicians on PDGM changes
- High LUPA (greater 10%) develop Performance Improvement Project with clinical department based on findings from evaluation of LUPAs

## Evaluate Total Cost of Care

- Evaluate organization wide productivity
- Evaluate discipline utilization
- Evaluate length and frequency of visits by diagnosis
- Evaluate back office processes and staffing
- Evaluate mileage reimbursement
- Evaluate supply cost

## PDGM NATIONAL SUMMIT

**A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT**

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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## PDGM DATA ANALYTICS

**Aaron Little, BKD**

## Data Analytics

- Presentation Outline
  - CMS Data Resources
  - Impact Analysis
  - PDGM Analysis using 2017 Claims
  - Visit Utilization
  - Questionable Encounters
  - LUPA Deep Dive
  - Marketing Insights
  - Other Analyses

# CMS Data Resources

1. PDGM Grouper Tool CY 2019

- https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.html
- Simple to use Excel File that calculates your case-mix weights and HIPPS codes under PDGM
- Use the 80/20 Rule to calculate the case-mix weights for your most seen patients under different scenarios
- Can be used to help compare the expected reimbursement to your current HH PPS revenues
- Use to evaluate your agency revenue differences for budgeting and decision making

# PDGM Grouper Tool CY 2019

Steps to navigate the PDGM Grouping Tool, enter the following:

1. Number of Visits for the 30 days period
2. Timing of the 30-Day Period: Early/Late
3. Admission Source: Community or Institutional
4. Clinical Grouping: The principle Dx code expected on the claim
5. Comorbidity Adjustment: Up to 24 secondary Dx codes
6. OASIS Items-Functional Level: Check box for Risk of Hospitalization and select scores from the other seven M-Items

→ Automatically calculates HIPPS code and case-mix weight

| HIPPS Code | |
|---|---|
| 1st position (Source & Timing) | 2 |
| 2nd position (Clinical Group) | A |
| 3rd position (Functional Level) | C |
| 4th position (Comorbidity) | 1 |
| 5th position (Placeholder) | 1 |
| HIPPS Code | 2AC11 |
| Case-mix weight | 1.4415 |

# PDGM Grouper Tool CY 2019

Use the tool to compare your PDGM revenue to current HH PPS reimbursement under different scenarios

Example: ICD-10: Z47.1 - Aftercare following joint replacement surgery- $3,298 average payment under current reimbursement (Northeast)

| Aftercare Scenarios | Period 1 | | Period 2 | | Rev. | Variance | |
|---|---|---|---|---|---|---|---|
| | HIPPS | C.M.W. | HIPPS | C.M.W. | | $ | % |
| 1. Inpatient, 60 days, high function, not comorbid, no LUPA | 2EC11 | 1.5276 | 4EC11 | 1.3884 | $ 5,547 | $ 1,825 | 49% |
| 2. Same as 1, <30 days | 2EC11 | 1.5276 | | | $ 2,906 | $ (816) | -22% |
| 3. Same as 2, low comorbidity | 2EC21 | 1.5272 | | | $ 3,019 | $ (702) | -19% |
| 4. 1. Inpatient, 60 days, med function, not comorbid, no LUPA | 2EB11 | 1.3845 | 4EB11 | 1.2453 | $ 5,002 | $ 1,281 | 34% |
| 5. Same as 4, <30 days | 2EB11 | 1.3845 | | | $ 2,634 | $(1,088) | -29% |
| 6. Same as 5, high comorbidity | 2EB31 | 1.5692 | | | $ 2,985 | $ (737) | -20% |

# CMS Data Resources

2. Home Health PPS Limited Data Set (LDS)

- https://www.cms.gov/Research-Statistics-Data-and-Systems/Files-for-Order/LimitedDataSets/Home_Health_PPS_LDS.html
  - Media: DVD
  - Cost: $1,200
  - Data Format: Comma separated variable block (CSV) with SAS® read-in program
  - Available: CY 2017
- Data file was constructed by splitting the current 60-day home health episodes into two 30-day

# Home Health PPS LDS

Information on the file includes:

- Start and end dates of the 30-day periods and 60-day episodes
- Wage index value associated with each episode/period
- Information regarding the resource use of the episode/period
- Payment adjustors used for the episode/period
- HIPPS codes
- Case-mix weights
- Indicators for whether the episode/period receives a payment adjustment (LUPA, PEP, outlier)
- Actual and simulated payments for the episode/period
- Information on number and length of visits that occur during the episode/period
- Select information from the OASIS that is used in the payment system

# Home Health PPS LDS

- Examine the differences in payment to provide great detail for budgeting for episodes starting in CY 2020
- Evaluate the cases where revenue changes are significant
- Add your specific costs per visit to determine your profitability by the different PDGM components
- Identify the Primary Diagnostic codes that are not considered PDGM "appropriate" for home health for coding
- Use as a basis for projecting your budgets impacted by PDGM
- Create a "Sensitivity" model for evaluating changes in your Plan of Care (POC)

# CMS Data Resources

3. PDGM Agency Level Impact

- https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/Downloads/PDGM-Agency-Level-Impacts.zip
- Look up your agency by CMS Customer Number (CCN) to see the financial impact between HH PPS payments compared to a projected PDGM 30 day period payments (uses CY 2017 data)

# PDGM Impact Analysis- Summary

- The PDGM Impact Analysis was performed using the Home Health PPS Limited Data Set (LDS) that CMS released with the 2019 Final Rule
- The percent change in reimbursement is based on the projected PPS reimbursement compared to the projected PDGM reimbursement from the LDS
- The 0-25, 25-75, and 75-100 represents HHA's in the top 25%, middle 50%, and bottom 25%, respectively, based on the projected percent change in reimbursement

- From the Summary table it is clear that the higher the percentage of PDGM episodes that only have one 30 day period (last 30 days or less and only receive one payment) have a more negative average change in reimbursement

| PDGM Impact Analysis Summary | | | | | | |
|---|---|---|---|---|---|---|
| | PPS Episodes | 1st 30 Day Periods | 2nd 30 Day Periods | Total 30 Day Periods | % of Episode w/o 2nd 30 Day Period | % Change in Reimbursement |
| **0-25** | 701,255 | 701,255 | 584,746 | 1,286,001 | 14.1% | 26.0% |
| **25-75** | 3,720,884 | 3,720,884 | 2,529,511 | 6,250,395 | 27.3% | 1.9% |
| **75-100** | 1,209,942 | 1,209,942 | 819,894 | 2,029,836 | 31.2% | -14.1% |
| **National** | **5,632,081** | **5,632,081** | **3,934,151** | **9,566,232** | **22.4%** | **1.6%** |

# PDGM Impact Analysis- Source & Timing

- From the Admission Source and Admission Timing tables below it is clear that HHA's with higher percentage of patients classified as institutional and early in the PDGM model do not necessarily have a higher percent change in reimbursement
- There is very little difference between the percentage of periods comparing institutional versus community and early versus late for HHAs in 25-75% and 75% - 100%.

| Impact Analysis by Admission Source | | | | | | |
|---|---|---|---|---|---|---|
| | Institutional PDGM Periods | Community PDGM Periods | Total PDGM Periods | % of Institutional Periods | % of Community Periods | % Change in Reimbursement |
| 0-25 | 205,280 | 1,078,097 | 1,283,377 | 13.8% | 86.2% | 26.0% |
| 25-75 | 1,789,974 | 4,456,582 | 6,246,556 | 24.9% | 75.1% | 1.9% |
| 75-100 | 512,294 | 1,514,634 | 2,026,928 | 24.2% | 75.8% | -14.1% |
| **National** | **2,507,548** | **7,049,313** | **9,556,861** | **22.0%** | **78.0%** | **1.6%** |

| Impact Analysis by Admission Timing | | | | | | |
|---|---|---|---|---|---|---|
| | Early PDGM Periods | Late PDGM Periods | Total PDGM Periods | % of Early Periods | % of Late Periods | % Change in Reimbursement |
| 0-25 | 269,338 | 1,014,039 | 1,283,377 | 21.1% | 78.9% | 26.0% |
| 25-75 | 2,155,181 | 4,091,375 | 6,246,556 | 33.4% | 66.6% | 1.9% |
| 75-100 | 715,393 | 1,311,535 | 2,026,928 | 37.9% | 62.1% | -14.1% |
| **National** | **3,139,912** | **6,416,949** | **9,556,861** | **31.5%** | **68.5%** | **1.6%** |

# PDGM Impact Analysis- Clinical Group

- The LDS assigns "Questionable Encounters" to the clinical group of first secondary diagnosis that can be classified and uses that to derive the projected reimbursement
- The top quartile has the highest skilled nursing and other visit utilization per episode and the lowest therapy visit utilization per episode
- The top 25% has the lowest percent of Musculoskeletal Rehab and Questionable Encounter episodes

| Top 25% by Clinical Group | | | | | | | |
|---|---|---|---|---|---|---|---|
| Clinical Group | PPS Episodes | % of PPS Episodes | % Change in Reimbursement | SN Visits per PPS Episode | Therapy Visits per PPS Episode | Other Visits per PPS Episode | Total Visits per PPS Episode |
| MMTA - Endocrine | 55,748 | 7.9% | 38.8% | 10.9 | 2.2 | 1.9 | 15.0 |
| Wound | 55,714 | 7.9% | 37.8% | 14.4 | 2.1 | 2.2 | 18.7 |
| Complex Nursing Interventions | 9,027 | 1.3% | 32.9% | 8.7 | 1.9 | 2.3 | 13.0 |
| Neuro/Stroke Rehabilitation | 43,766 | 6.2% | 26.7% | 8.1 | 5.7 | 2.9 | 16.7 |
| MMTA - Other | 90,607 | 12.9% | 25.8% | 9.1 | 2.2 | 1.9 | 13.2 |
| MMTA - Cardiac/Circulator | 131,203 | 18.7% | 23.9% | 9.1 | 2.5 | 2.1 | 13.7 |
| MMTA - Infectious Disease | 28,910 | 4.1% | 23.3% | 9.1 | 2.3 | 1.9 | 13.3 |
| MMTA - Respiratory | 57,097 | 8.1% | 21.4% | 8.7 | 2.7 | 2.0 | 13.4 |
| MMTA - GI/GU | 28,113 | 4.0% | 21.3% | 9.1 | 2.4 | 2.0 | 13.5 |
| Behavorial Health Care | 11,330 | 1.6% | 19.2% | 8.0 | 2.3 | 2.3 | 12.6 |
| Questionable Encounters | 75,331 | 10.7% | 17.0% | 8.3 | 4.3 | 2.1 | 14.8 |
| Musculoskeletal Rehabilitation | 94,132 | 13.4% | 16.5% | 8.0 | 5.3 | 2.1 | 15.4 |
| MMTA - Surgical Aftercare | 16,071 | 2.3% | 11.5% | 10.5 | 3.7 | 1.3 | 15.5 |
| **Total** | **701,255** | **100.0%** | **26.0%** | **9.4** | **3.1** | **2.1** | **14.6** |

# PDGM Impact Analysis- Clinical Group

- Comparing the 25% to 75%:
  - The average therapy utilization per episode quartile all clinical groups is almost doubled (3.1 to 6.4)
  - This is most significant for MMTA- Surgical Aftercare (3.7 to 5.8), Musculoskeletal Rehab (5.3 to 9.7) and Questionable Encounters (4.3 to 8.7)
  - The percent of episodes increased for both Musculoskeletal Rehab (13.4% to 17.6%) and Questionable Encounters (10.7% to 13.4%) increased more significantly than any other clinical groups

| 25% to 75% by Clinical Group | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Group** | **PPS Episodes** | **% of PPS Episodes** | **% Change in Reimbursement** | **SN Visits per PPS Episode** | **Therapy Visits per PPS Episode** | **Other Visits per PPS Episode** | **Total Visits per PPS Episode** |
| Complex Nursing Interventions | 71,322 | 1.9% | 27.6% | 7.9 | 2.8 | 2.3 | 13.1 |
| Wound | 344,220 | 9.3% | 24.7% | 13.9 | 3.8 | 1.9 | 19.6 |
| MMTA - Endocrine | 138,181 | 3.7% | 15.5% | 11.7 | 5.5 | 1.9 | 19.1 |
| MMTA - Infectious Disease | 169,888 | 4.6% | 7.9% | 8.6 | 4.8 | 1.6 | 15.1 |
| MMTA - Other | 252,787 | 6.8% | 5.3% | 9.5 | 5.5 | 1.9 | 16.8 |
| MMTA - Cardiac/Circulator | 568,307 | 15.3% | 5.3% | 8.9 | 5.6 | 2.0 | 16.5 |
| MMTA - GI/GU | 159,018 | 4.3% | 4.6% | 8.2 | 5.6 | 1.8 | 15.7 |
| MMTA - Respiratory | 300,264 | 8.1% | 2.4% | 8.0 | 6.3 | 1.9 | 16.1 |
| Behavorial Health Care | 71,402 | 1.9% | 1.5% | 6.7 | 5.9 | 2.2 | 14.7 |
| Neuro/Stroke Rehabilitation | 296,472 | 8.0% | 0.7% | 6.5 | 10.8 | 2.5 | 19.8 |
| MMTA - Surgical Aftercare | 177,677 | 4.8% | -0.1% | 9.1 | 5.8 | 1.1 | 16.0 |
| Questionable Encounters | 493,414 | 13.3% | -6.4% | 6.4 | 8.7 | 2.0 | 17.0 |
| Musculoskeletal Rehabilitation | 655,395 | 17.6% | -6.5% | 6.1 | 9.7 | 1.8 | 17.6 |
| **Total** | **3,720,884** | **100.0%** | **1.9%** | **8.6** | **6.4** | **1.9** | **16.9** |

# PDGM Impact Analysis- Clinical Group

- Comparing the 75% to 100%:
  - The average therapy utilization per episode across all clinical groups increased (6.4 to 9.5)
  - This is most significant for Neuro/Stroke Rehab (10.8 to 14.2), Musculoskeletal Rehab (9.7 to 12.4), Questionable Encounters (8.7 to 12.2), MMTA- Surgical Aftercare (5.8 to 8.0) and MMTA- Respiratory (6.3 to 9.7)
  - The percent of episodes increased for both Musculoskeletal Rehab (17.6% to 22.1%) and Questionable Encounters (13.4% to 20.2%) increased more significantly than any other clinical groups

| 75% to 100% by Clinical Group | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Group** | **PPS Episodes** | **% of PPS Episodes** | **% Change in Reimbursement** | **SN Visits per PPS Episode** | **Therapy Visits per PPS Episode** | **Other Visits per PPS Episode** | **Total Visits per PPS Episode** |
| Complex Nursing Interventions | 17,402 | 1.4% | 17.3% | 8.0 | 4.6 | 2.1 | 14.7 |
| Wound | 101,670 | 8.4% | 11.2% | 14.1 | 6.0 | 1.8 | 21.9 |
| MMTA - Endocrine | 38,484 | 3.2% | -0.6% | 13.9 | 8.8 | 1.8 | 24.4 |
| MMTA - Infectious Disease | 37,434 | 3.1% | -4.3% | 8.2 | 7.5 | 1.6 | 17.3 |
| MMTA - GI/GU | 39,159 | 3.2% | -8.0% | 7.5 | 8.5 | 1.6 | 17.7 |
| MMTA - Other | 65,102 | 5.4% | -8.6% | 10.0 | 8.7 | 1.7 | 20.4 |
| MMTA - Cardiac/Circulator | 136,850 | 11.3% | -10.2% | 8.1 | 9.1 | 1.8 | 19.0 |
| MMTA - Surgical Aftercare | 41,803 | 3.5% | -10.3% | 8.5 | 8.0 | 1.0 | 17.5 |
| Behavorial Health Care | 25,850 | 2.1% | -10.7% | 5.5 | 9.3 | 1.6 | 16.4 |
| Neuro/Stroke Rehabilitation | 113,256 | 9.4% | -11.8% | 5.0 | 14.2 | 2.2 | 21.5 |
| MMTA - Respiratory | 73,763 | 6.1% | -12.2% | 7.1 | 9.7 | 1.5 | 18.3 |
| Musculoskeletal Rehabilitation | 267,446 | 22.1% | -17.0% | 4.6 | 12.4 | 1.5 | 18.4 |
| Questionable Encounters | 244,252 | 20.2% | -19.2% | 4.7 | 12.2 | 1.5 | 18.4 |
| **Total** | **1,209,942** | **100.0%** | **-14.1%** | **8.0** | **9.5** | **1.7** | **19.2** |

# PDGM Impact Analysis- Clinical Group

- The national by clinical group:
  - MMTA- Surgical Aftercare, Musculoskeletal Rehab and Questionable Encounters are the only clinical groups with a projected decreased percent change in reimbursement
  - Musculoskeletal Rehab and Questionable Encounters represent the two highest volumes of episodes within the LDS
  - Musculoskeletal Rehab and Questionable Encounters represent the second and third highest therapy visits per episode, respectively

| National by Clinical Group | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clinical Group** | **PPS Episodes** | **% of PPS Episodes** | **% Change in Reimbursement** | **SN Visits per PPS Episode** | **Therapy Visits per PPS Episode** | **Other Visits per PPS Episode** | **Total Visits per PPS Episode** |
| Complex Nursing Interventions | 144,472 | 2.6% | 26.0% | 8.1 | 3.1 | 2.3 | 13.4 |
| Wound | 501,604 | 8.9% | 24.4% | 14.1 | 4.0 | 1.9 | 20.0 |
| MMTA - Endocrine | 185,692 | 3.3% | 17.3% | 12.0 | 5.5 | 1.9 | 19.4 |
| MMTA - Infectious Disease | 251,088 | 4.5% | 8.3% | 8.6 | 4.9 | 1.7 | 15.3 |
| MMTA - Other | 382,553 | 6.8% | 6.9% | 9.5 | 5.5 | 1.9 | 16.8 |
| MMTA - Cardiac/Circulator | 764,612 | 13.6% | 6.0% | 8.7 | 5.7 | 2.0 | 16.4 |
| MMTA - GI/GU | 324,778 | 5.8% | 5.4% | 8.3 | 5.6 | 1.8 | 15.7 |
| Neuro/Stroke Rehabilitation | 399,164 | 7.1% | 3.5% | 6.5 | 10.5 | 2.5 | 19.5 |
| MMTA - Respiratory | 125,365 | 2.2% | 3.4% | 7.9 | 6.3 | 1.8 | 16.0 |
| Behavorial Health Care | 421,058 | 7.5% | 2.2% | 6.6 | 6.0 | 2.1 | 14.7 |
| MMTA - Surgical Aftercare | 326,771 | 5.8% | -0.7% | 9.2 | 6.0 | 1.1 | 16.3 |
| Musculoskeletal Rehabilitation | 854,992 | 15.2% | -3.8% | 6.2 | 9.3 | 1.8 | 17.3 |
| Questionable Encounters | 915,718 | 16.3% | -4.0% | 6.4 | 8.5 | 1.9 | 16.8 |
| **Total** | **5,632,081** | **100.0%** | **1.6%** | **8.6** | **6.4** | **1.9** | **17.0** |

# PDGM Impact Analysis- Therapy Utilization & LUPAs

- This table reflects that the new LUPA thresholds in the PDGM will have a significant impact on the percentage change in reimbursement
  - HHAs must recognize the threshold (for each 30 day period) based on the projected HIPPS code for each patient

| Impact Analysis LUPA | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **PPS LUPA Episodes** | **PPS LUPA %** | **1st 30 Day LUPA Periods** | **2nd 30 Day LUPA Periods** | **Total 30 Day LUPA Periods** | **PDGM LUPA %** | **Change in LUPA %** | **% Change in Reimbursement** |
| **0 to 25%** | 48,246 | 6.4% | 37,668 | 35,732 | 73,400 | 5.3% | -1.1% | 26.0% |
| **25% to 75%** | 337,143 | 7.7% | 255,944 | 252,689 | 508,633 | 7.3% | -0.4% | 1.9% |
| **75% to 100%** | 82,931 | 6.0% | 63,291 | 71,545 | 134,836 | 6.5% | 0.5% | -14.1% |
| **National** | **468,320** | **6.9%** | **356,903** | **359,966** | **716,869** | **6.6%** | **-0.4%** | **1.6%** |

- This table summarizes the therapy utilization impact and reflects that the removal the therapy threshold also has a significant impact on the percentage change in reimbursement

| Therapy Utilization | | | |
|---|---|---|---|
| | **PPS Episodes** | **1st 30 Day Periods** | **2nd 30 Day Periods** |
| **0-25%** | 3.1 | 1.9 | 1.1 |
| **25% - 75%** | 6.4 | 4.8 | 2.7 |
| **75%-100%** | 9.5 | 7.5 | 4.5 |
| **National** | **6.4** | **4.7** | **2.8** |

# PDGM Impact Analysis- Skilled Nursing Utilization

| Top 25% by Skilled Nursing Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 20,440 | 2.9% | -4.5% |
| 1-5 Visits | 135,492 | 19.3% | 12.1% |
| 6-10 Visits | 392,477 | 56.0% | 25.7% |
| 11-15 Visits | 98,514 | 14.0% | 27.4% |
| 16-20 Visits | 29,828 | 4.3% | 25.0% |
| 21+ Visits | 24,443 | 3.5% | 13.1% |

| 75% to 100% by Skilled Nursing Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 234,848 | 19.4% | -20.8% |
| 1-5 Visits | 389,538 | 32.2% | -15.3% |
| 6-10 Visits | 353,201 | 29.2% | -10.1% |
| 11-15 Visits | 127,246 | 10.5% | -0.1% |
| 16-20 Visits | 52,937 | 4.4% | 7.0% |
| 21+ Visits | 52,068 | 4.3% | 5.5% |

| 25% to 75% by Skilled Nursing Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 393,236 | 10.6% | -15.1% |
| 1-5 Visits | 1,113,113 | 29.9% | -3.3% |
| 6-10 Visits | 1,398,484 | 37.6% | 3.6% |
| 11-15 Visits | 490,182 | 13.2% | 12.8% |
| 16-20 Visits | 173,464 | 4.7% | 19.3% |
| 21+ Visits | 152,034 | 4.1% | 12.0% |

| National by Skilled Nursing Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 648,524 | 11.5% | -13.9% |
| 1-5 Visits | 1,638,143 | 29.1% | -2.4% |
| 6-10 Visits | 2,144,162 | 38.1% | 5.7% |
| 11-15 Visits | 715,942 | 12.7% | 13.3% |
| 16-20 Visits | 256,229 | 4.5% | 17.7% |
| 21+ Visits | 228,545 | 4.1% | 10.6% |

# PDGM Impact Analysis- Therapy Utilization

| Top 25% by Therapy Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 418,399 | 59.7% | 41.8% |
| 1-4 Visits | 66,477 | 9.5% | 31.3% |
| 5-8 Visits | 83,710 | 11.9% | 10.8% |
| 9-13 Visits | 75,823 | 10.8% | -2.9% |
| 14-19 Visits | 42,637 | 6.1% | -11.2% |
| 20+ Visits | 14,148 | 2.0% | -11.6% |

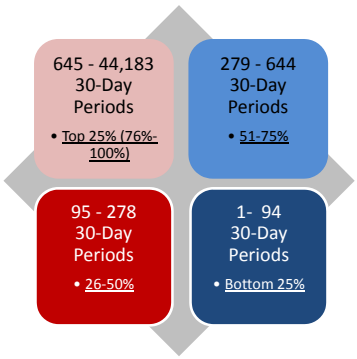
| 75% to 100% by Therapy Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 238,654 | 19.7% | 25.1% |
| 1-4 Visits | 116,530 | 9.6% | 20.2% |
| 5-8 Visits | 184,307 | 15.2% | -7.3% |
| 9-13 Visits | 240,554 | 19.9% | -16.5% |
| 14-19 Visits | 258,373 | 21.4% | -21.6% |
| 20+ Visits | 171,459 | 14.2% | -22.2% |

| 25% to 75% by Therapy Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 1,190,900 | 32.0% | 33.4% |
| 1-4 Visits | 514,930 | 13.8% | 27.6% |
| 5-8 Visits | 650,400 | 17.5% | 1.7% |
| 9-13 Visits | 630,454 | 16.9% | -9.1% |
| 14-19 Visits | 475,577 | 12.8% | -16.2% |
| 20+ Visits | 258,279 | 6.9% | -19.8% |

| National by Therapy Visits | | | |
|---|---|---|---|
| | PPS Episodes | % of PPS Episodes | % Change in Reimbursement |
| 0 Visits | 1,847,953 | 32.8% | 33.4% |
| 1-5 Visits | 697,937 | 12.4% | 26.7% |
| 6-10 Visits | 918,417 | 16.3% | 1.7% |
| 11-15 Visits | 946,831 | 16.8% | -9.4% |
| 16-20 Visits | 776,587 | 13.8% | -16.3% |
| 21+ Visits | 443,886 | 7.9% | -18.3% |

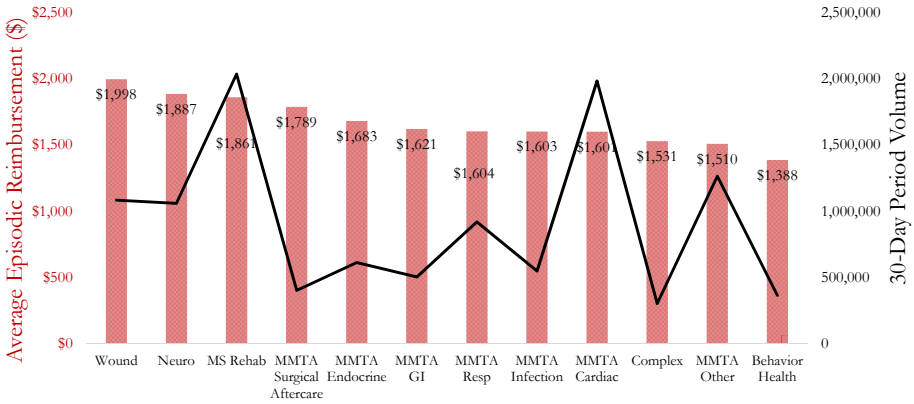
# Data & Provider Cohort Source Data

- All data is sourced from National CMS 2017 claims data
- Average Reimbursement
  - Full episodes only (LUPAs excluded from data)
- Volume
  - PPS episodes have been recasted to 30-Day periods
- Provider Size Cohorts are based on:
  - Specific CMS provider numbers
  - Recasted to 30-Day period volume based on national 2017 CMS PPS claims data
- Diagnosis Code Methodology
  - Secondary diagnosis code was utilized when primary diagnosis was a Questionable Encounter

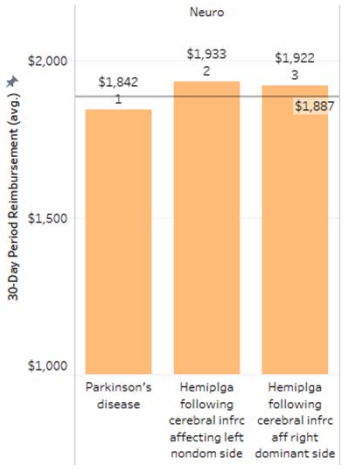


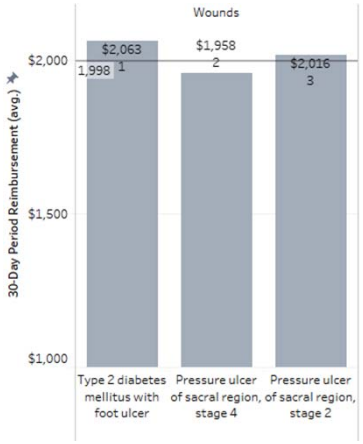

# Clinical Grouping Data – National

Reimbursement & 30-Day Period Volume by Clinical Groupings



# Clinical Grouping Top Diagnosis Data – National

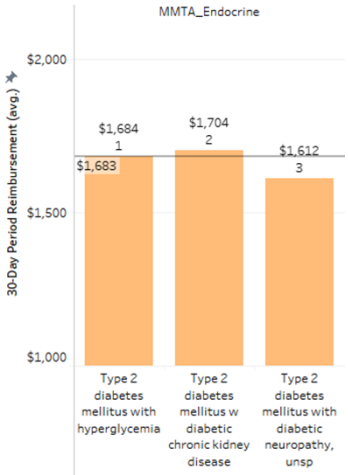


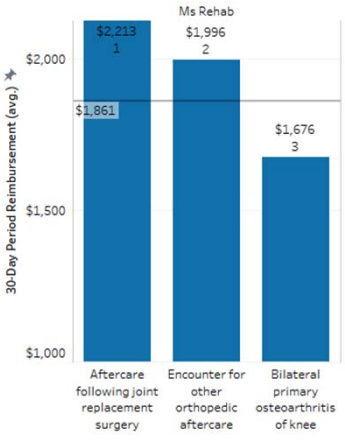




*Line represents national reimbursement average



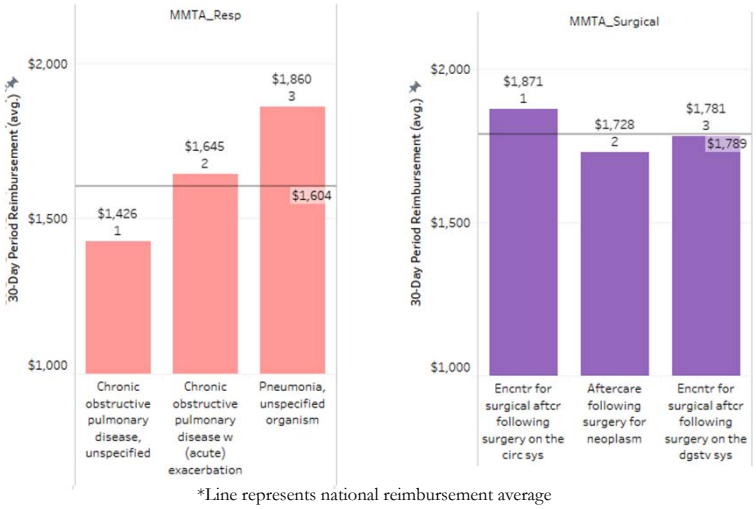
# Clinical Grouping Top Diagnosis Data – National




*Line represents national reimbursement average

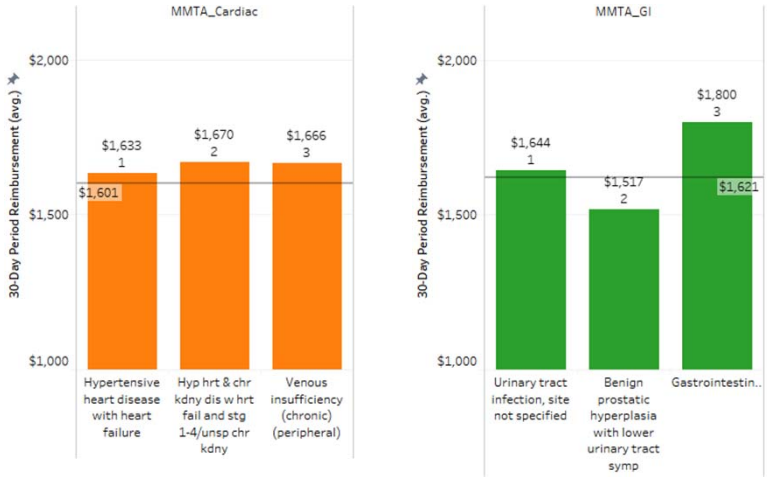
# Clinical Grouping Top Diagnosis Data – National




*Line represents national reimbursement average

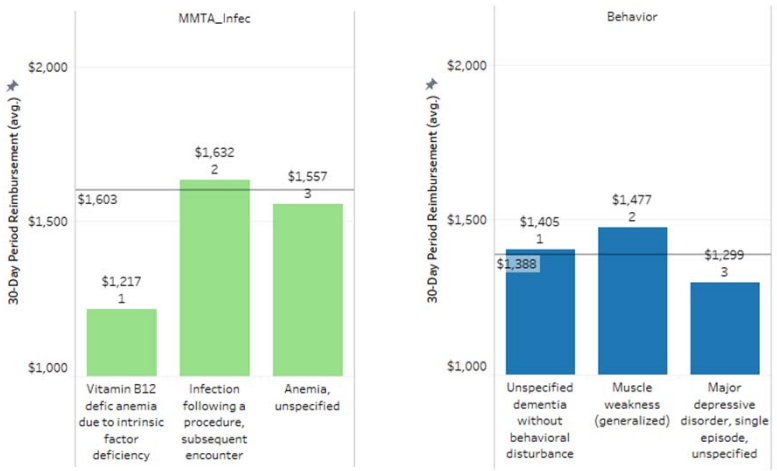


# Clinical Grouping Top Diagnosis Data – National




*Line represents national reimbursement average

# Clinical Grouping Top Diagnosis Data – National



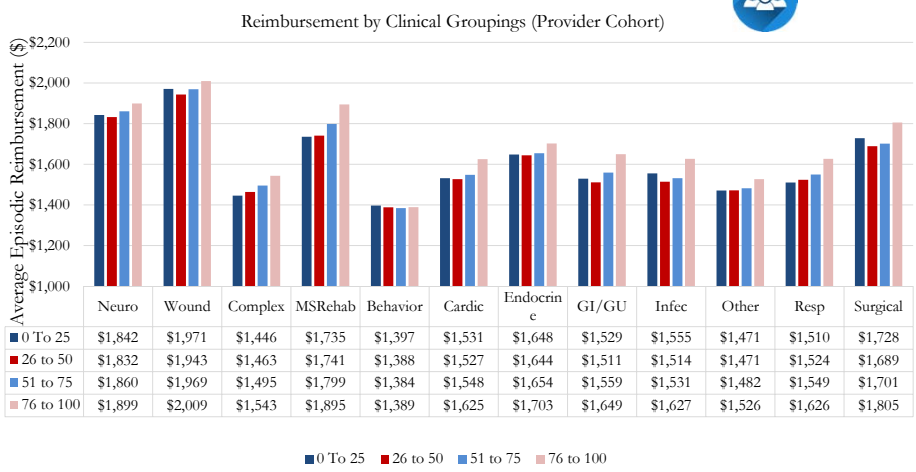

*Line represents national reimbursement average



# Clinical Grouping Top Diagnosis Data – National

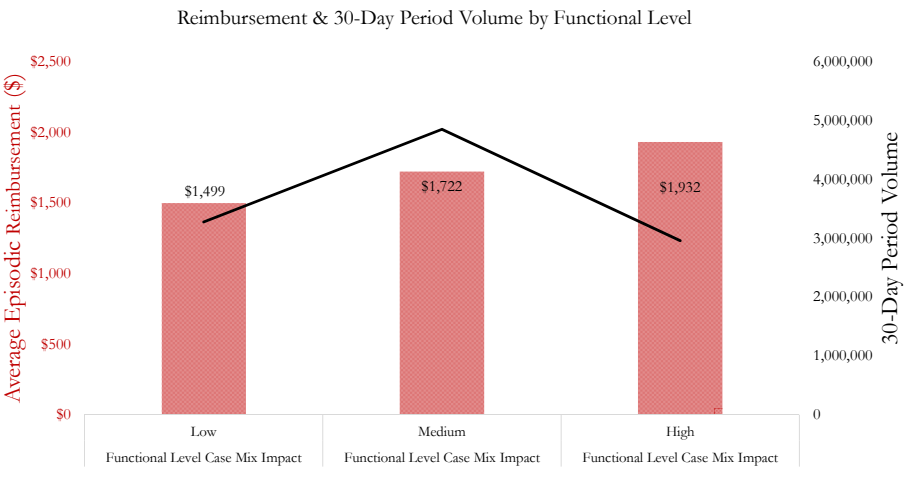

*Line represents national reimbursement average

# Clinical Grouping Data – Cohorts

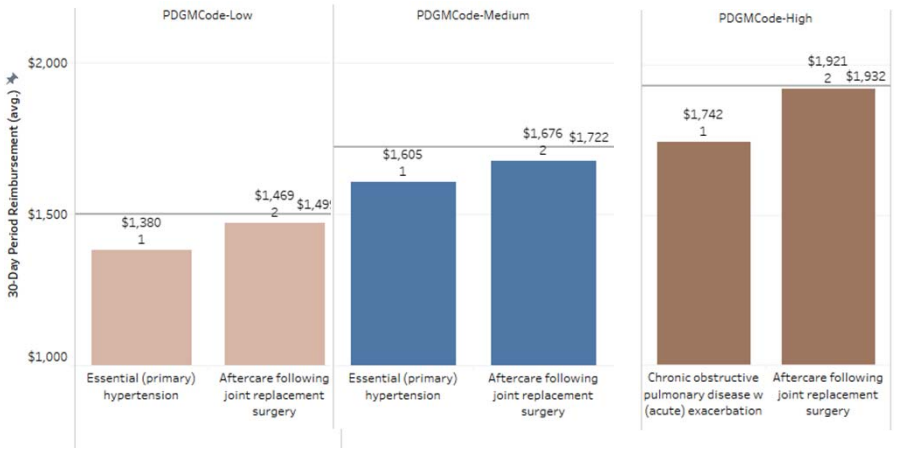



| | Neuro | Wound | Complex | MSRehab | Behavior | Cardic | Endocrine | GI/GU | Infec | Other | Resp | Surgical |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 To 25 | $1,842 | $1,971 | $1,446 | $1,735 | $1,397 | $1,531 | $1,648 | $1,529 | $1,555 | $1,471 | $1,510 | $1,728 |
| 26 to 50 | $1,832 | $1,943 | $1,463 | $1,741 | $1,388 | $1,527 | $1,644 | $1,511 | $1,514 | $1,471 | $1,524 | $1,689 |
| 51 to 75 | $1,860 | $1,969 | $1,495 | $1,799 | $1,384 | $1,548 | $1,654 | $1,559 | $1,531 | $1,482 | $1,549 | $1,701 |
| 76 to 100 | $1,899 | $2,009 | $1,543 | $1,895 | $1,389 | $1,625 | $1,703 | $1,649 | $1,627 | $1,526 | $1,626 | $1,805 |

# Functional Level Data – National



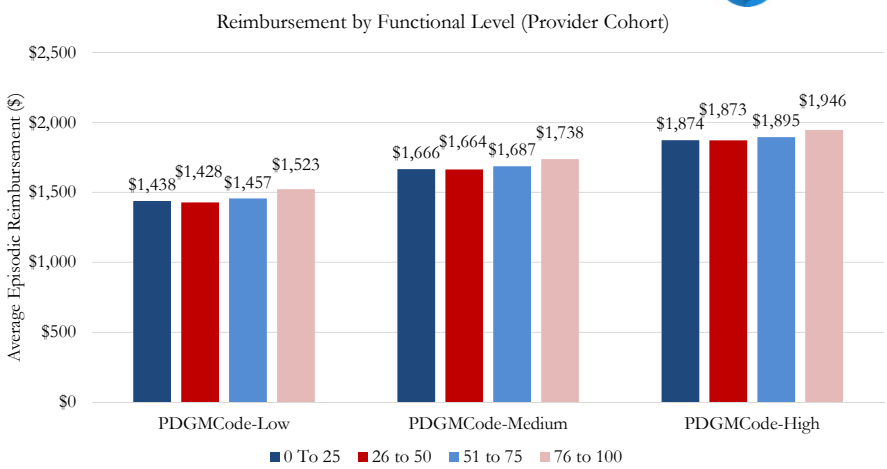
# Functional Level Top Diagnosis Data – National



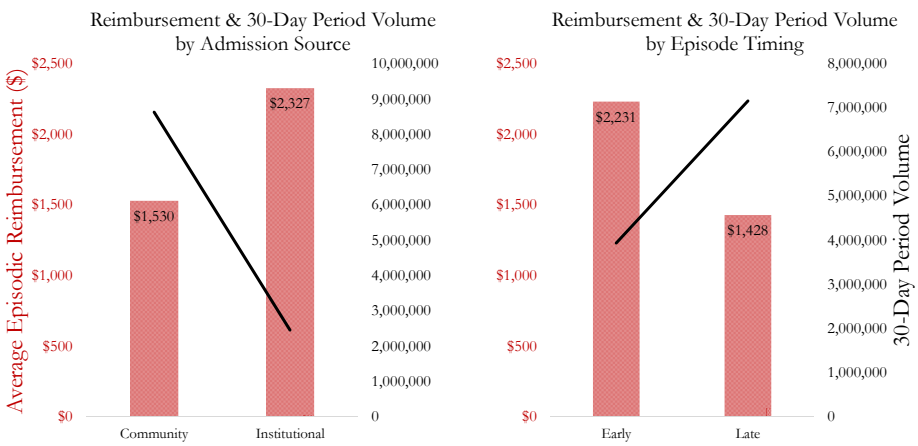

*Line represents national reimbursement average



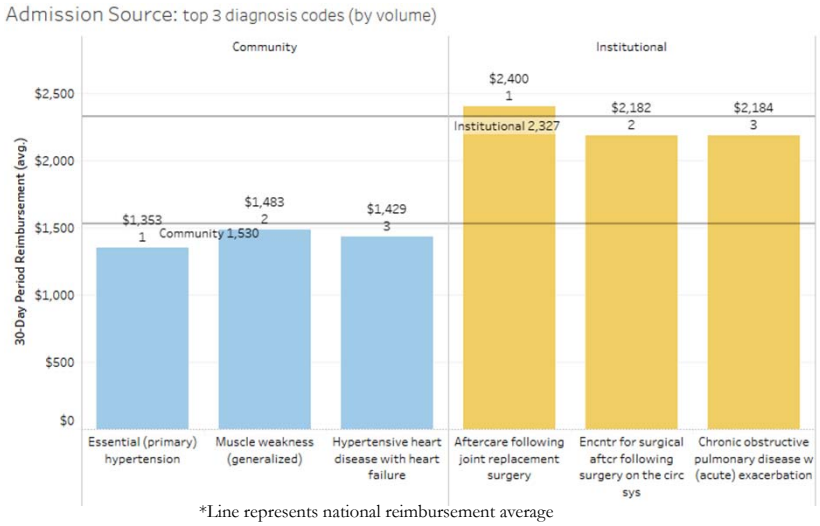
# Functional Level Data – Cohorts



# Admission Source & Timing Data – National

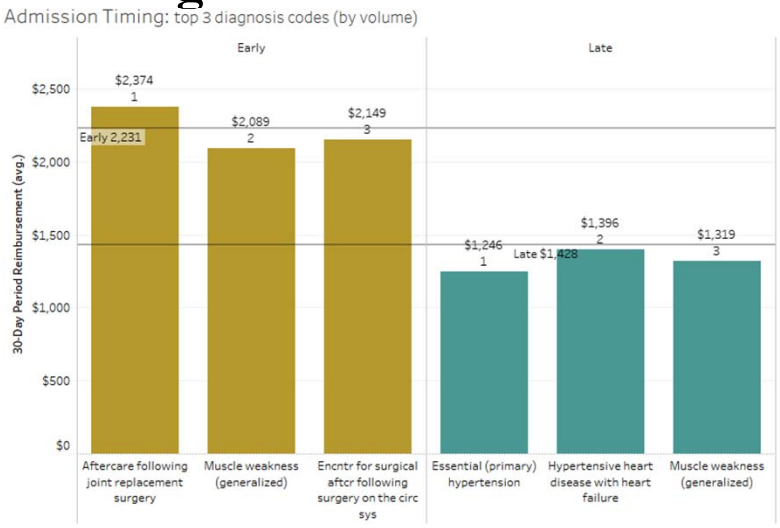



# Admission Source & Timing Top Diagnosis Data – National




*Line represents national reimbursement average

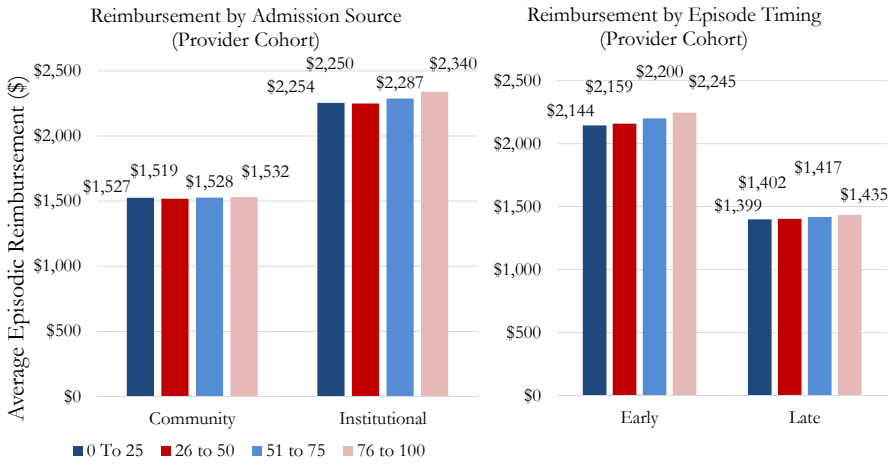
# Admission Source & Timing Top Diagnosis Data – National



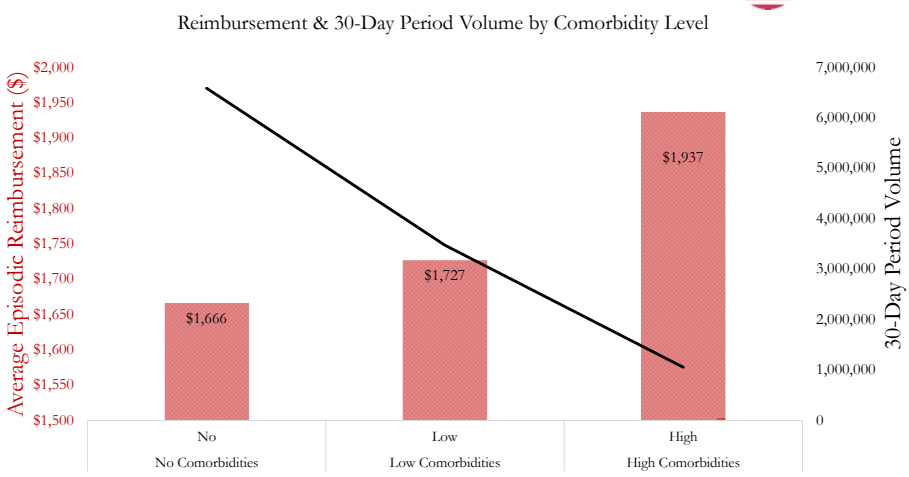

*Line represents national reimbursement average



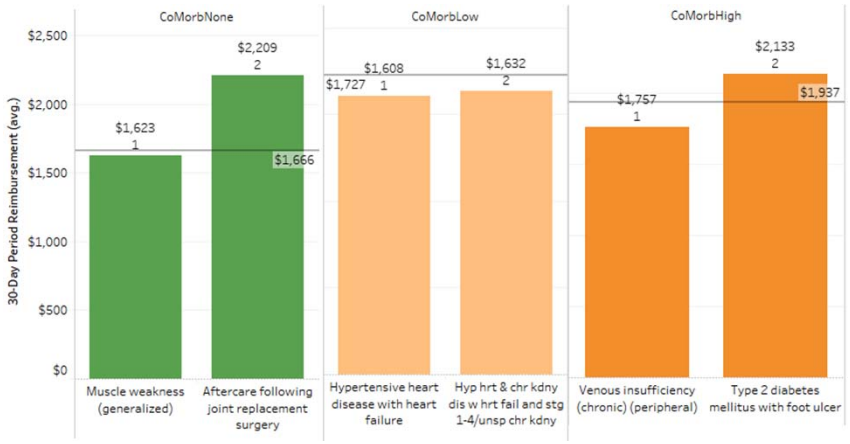
# Admission Source & Timing Data – Cohorts



# Comorbidity Level Data – National

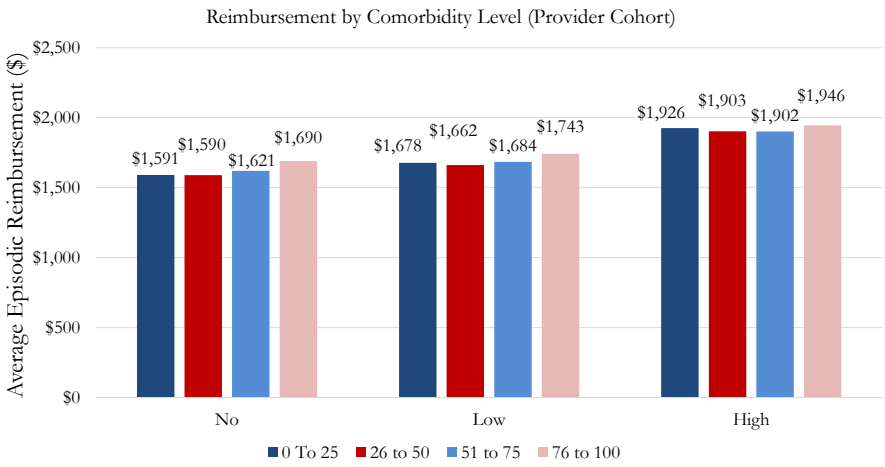



# Comorbidity Level Top Diagnosis Data – National

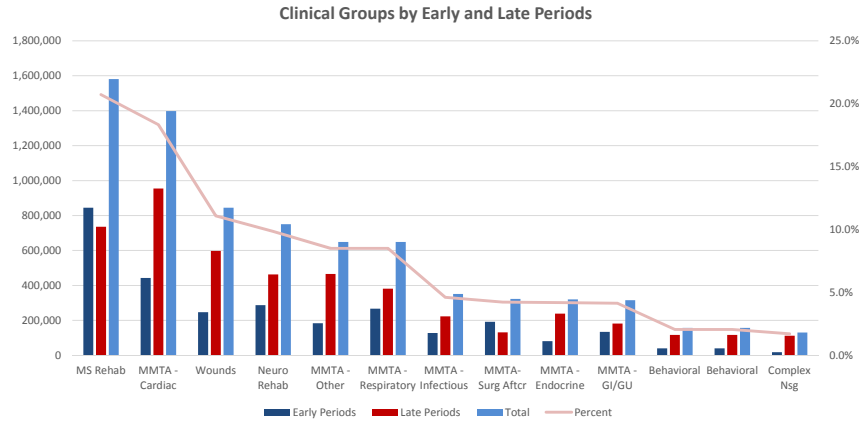



*Line represents national reimbursement average

# Comorbidity Level Data – Cohorts

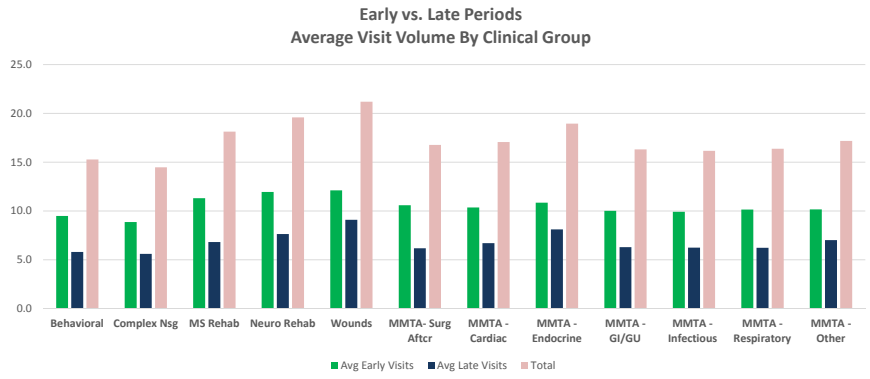



# Payment Periods by Clinical Group



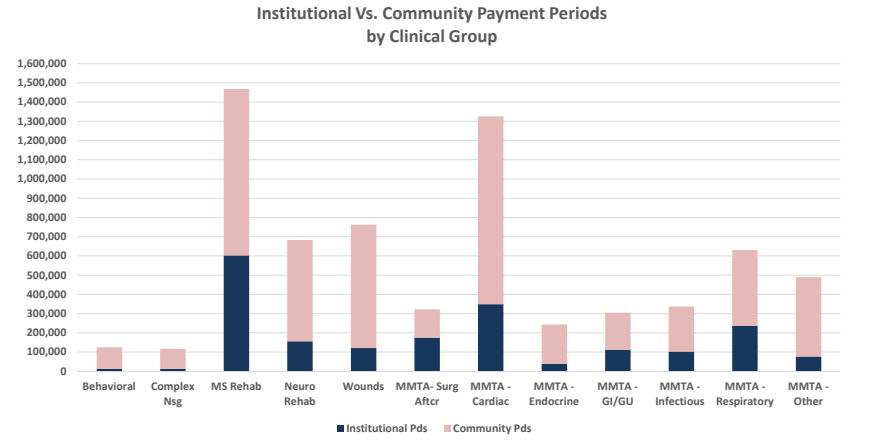

Source: CMS Virtual Data Research Center - ResDac

# Avg Visits by Clinical Group and Payment Period




Source: CMS Virtual Data Research Center - ResDac

# Institutional vs. Community Admissions by Clinical Group



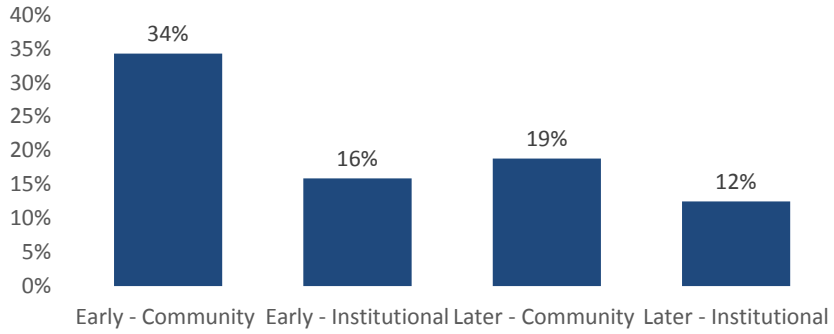

Source: CMS Virtual Data Research Center - ResDac

# Comorbidities – Avg Visits by Clinical Group

| GROUP | Avg Visits | High/Interactive Comorbidities | Avg Case Mix | Low/Single Comorbidity | Avg Case Mix | No Comorbidity | Avg Case Mix |
|---|---|---|---|---|---|---|---|
| Wounds | 10.1 | 28.2% | 1.5013 | 38.0% | 1.3762 | 33.7% | 1.3166 |
| Neuro Rehab | 9.4 | 9.6% | 1.4730 | 34.0% | 1.3479 | 56.4% | 1.2883 |
| MMTA - Endo | 9.2 | 12.0% | 1.3817 | 38.3% | 1.2567 | 49.7% | 1.1971 |
| MS Rehab | 9.0 | 4.8% | 1.3476 | 28.6% | 1.2226 | 66.6% | 1.1629 |
| MMTA – Surg Aftercare | 8.6 | 7.0% | 1.1839 | 37.6% | 1.0589 | 55.5% | 0.9993 |
| MMTA - Other | 8.2 | 5.2% | 1.2690 | 33.1% | 1.1439 | 61.8% | 1.0843 |
| MMTA - Cardiac | 8.0 | 14.4% | 1.2525 | 48.9% | 1.1275 | 36.7% | 1.0679 |
| MMTA - Resp | 7.9 | 6.9% | 1.2212 | 43.0% | 1.0962 | 50.1% | 1.0366 |
| MMTA- GI/GU | 7.8 | 8.2% | 1.2119 | 35.8% | 1.0869 | 56.1% | 1.0273 |
| MMTA - Infect | 7.6 | 6.5% | 1.2313 | 34.4% | 1.1062 | 59.2% | 1.0466 |
| Behavioral | 7.3 | 3.2% | 1.1932 | 26.4% | 1.0682 | 70.4% | 1.0086 |
| Complex Nsg | 6.3 | 17.3% | 1.2423 | 34.8% | 1.1173 | 48.0% | 1.0577 |

Source: CMS Virtual Data Research Center - ResDac

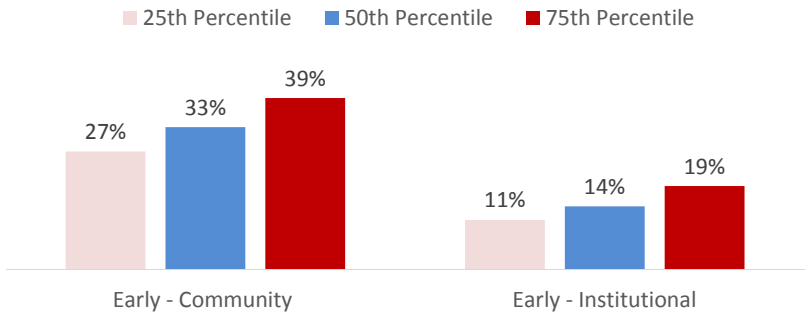
# "Questionable Encounter" Primary Dx Codes




Data source: ABILITY Network, national client database, 2017 episodes

"Early" = SOC
"Later" = Recert or ROC

# Agency-Level Range in "QE" Frequency




Data source: ABILITY Network, national client database, 2017 episodes

"Early" = SOC
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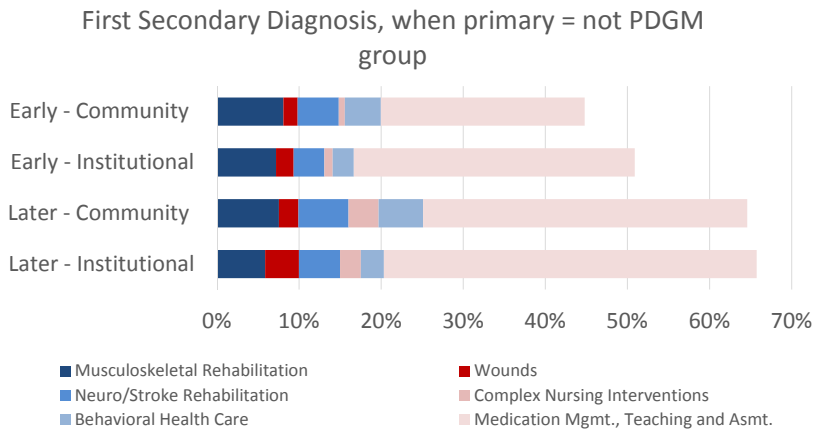
# "Questionable Encounter" Primary Dx Codes




Data source: ABILITY Network, national client database, 2017 episodes

"Early" = SOC
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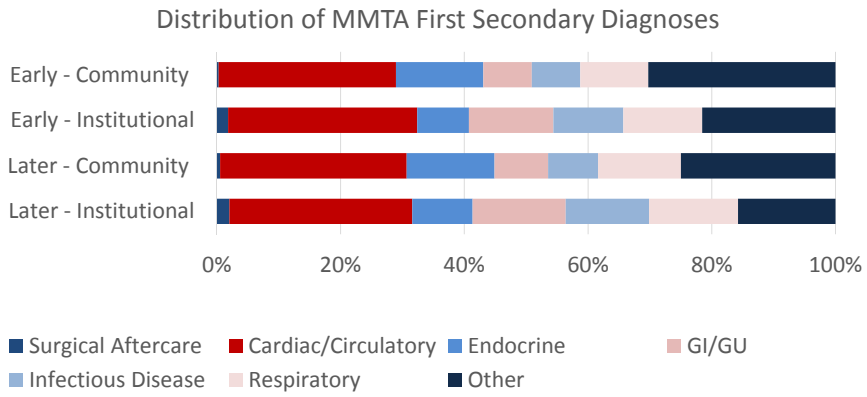
# "Questionable Encounter" Primary Dx Codes




Data source: ABILITY Network, national client database, 2017 episodes

"Early" = SOC
"Later" = Recert or ROC

# LUPA Analysis

| LUPAs by PDGM Payment Element | | | | | | |
|---|---|---|---|---|---|---|
| | PPS Episodes | | | PDGM Periods | | |
| PDGM Clinical Grouping | 25th Percentile | Median | 75th Percentile | 25th Percentile | Median | 75th Percentile |
| Behavioral health | 0.0% | 0.0% | 12.0% | 0.0% | 9.5% | 20.0% |
| Complex nursing | 0.0% | 9.7% | 22.2% | 0.0% | 14.3% | 26.0% |
| MMTA – Cardiac | 0.0% | 5.5% | 9.8% | 5.4% | 10.6% | 16.2% |
| MMTA – Endocrine | 0.0% | 2.5% | 9.5% | 2.9% | 11.1% | 19.0% |
| MMTA – GI/GU | 0.0% | 5.5% | 14.0% | 0.0% | 11.1% | 19.5% |
| MMTA – Infectious | 0.0% | 8.3% | 17.6% | 0.0% | 11.7% | 20.0% |
| MMTA – Respiratory | 0.0% | 5.6% | 11.1% | 4.1% | 10.3% | 16.7% |
| MMTA – Surgical aftercare | 0.0% | 0.0% | 5.0% | 0.0% | 4.5% | 9.8% |
| MMTA – Other | 0.0% | 4.8% | 9.7% | 5.6% | 11.7% | 18.4% |
| MS rehab | 0.0% | 4.0% | 7.3% | 6.2% | 11.4% | 17.1% |
| Neuro rehab | 0.0% | 3.9% | 8.3% | 4.2% | 9.7% | 16.2% |
| Wounds | 0.0% | 4.8% | 9.1% | 4.9% | 10.5% | 15.9% |
| All clinical groupings | 0.0% | 4.3% | 10.5% | 3.2% | 10.4% | 17.6% |

*Data source: CMS 2017 Home Health Claims – OASIS LDS file*

# LUPA Analysis

| LUPAs by PDGM Payment Element | | | | | | |
|---|---|---|---|---|---|---|
| | PDGM Early Periods | | | PDGM Late Periods | | |
| PDGM Clinical Grouping | 25th Percentile | Median | 75th Percentile | 25th Percentile | Median | 75th Percentile |
| Behavioral health | 0.0% | 0.0% | 12.5% | 0.0% | 7.7% | 23.1% |
| Complex nursing | 0.0% | 0.0% | 13.3% | 0.0% | 14.9% | 30.8% |
| MMTA – Cardiac | 0.0% | 9.4% | 16.7% | 4.0% | 10.1% | 17.9% |
| MMTA – Endocrine | 0.0% | 5.0% | 20.0% | 0.0% | 9.5% | 20.0% |
| MMTA – GI/GU | 0.0% | 0.0% | 14.3% | 0.0% | 11.1% | 23.1% |
| MMTA – Infectious | 0.0% | 0.0% | 14.3% | 0.0% | 11.5% | 23.1% |
| MMTA – Respiratory | 0.0% | 6.7% | 14.5% | 0.0% | 10.0% | 20.0% |
| MMTA – Surgical aftercare | 0.0% | 0.0% | 5.0% | 0.0% | 3.2% | 14.1% |
| MMTA – Other | 0.0% | 10.7% | 20.0% | 3.3% | 10.6% | 20.2% |
| MS rehab | 2.2% | 10.1% | 17.7% | 4.4% | 11.5% | 20.3% |
| Neuro rehab | 0.0% | 7.7% | 15.4% | 1.6% | 9.1% | 18.0% |
| Wounds | 0.0% | 7.1% | 16.5% | 3.2% | 10.1% | 16.5% |
| All clinical groupings | 0.0% | 5.9% | 15.4% | 0.0% | 10.0% | 20.0% |

*Data source: CMS 2017 Home Health Claims – OASIS LDS file*

# LUPA Analysis

| LUPAs by PDGM Payment Element | | | | | | |
|---|---|---|---|---|---|---|
| | PDGM Community Periods | | | PDGM Institutional Periods | | |
| PDGM Clinical Grouping | 25th Percentile | Median | 75th Percentile | 25th Percentile | Median | 75th Percentile |
| Behavioral health | 0.0% | 8.8% | 20.0% | 0.0% | 0.0% | 2.7% |
| Complex nursing | 0.0% | 14.3% | 30.9% | 0.0% | 0.0% | 14.0% |
| MMTA – Cardiac | 4.7% | 10.6% | 18.0% | 0.0% | 7.7% | 14.3% |
| MMTA – Endocrine | 1.1% | 10.7% | 20.6% | 0.0% | 0.0% | 12.5% |
| MMTA – GI/GU | 0.0% | 11.1% | 22.9% | 0.0% | 0.0% | 14.3% |
| MMTA – Infectious | 0.0% | 11.5% | 22.6% | 0.0% | 0.0% | 14.3% |
| MMTA – Respiratory | 2.0% | 10.5% | 20.0% | 0.0% | 5.3% | 13.6% |
| MMTA – Surgical aftercare | 0.0% | 0.0% | 13.5% | 0.0% | 0.0% | 5.7% |
| MMTA – Other | 5.0% | 11.9% | 20.0% | 0.0% | 0.0% | 14.3% |
| MS rehab | 5.6% | 12.0% | 19.7% | 0.0% | 8.2% | 15.6% |
| Neuro rehab | 3.1% | 9.3% | 16.7% | 0.0% | 4.0% | 14.6% |
| Wounds | 4.0% | 10.4% | 16.7% | 0.0% | 2.4% | 14.3% |
| All clinical groupings | 0.0% | 10.5% | 20.0% | 0.0% | 0.0% | 13.5% |

*Data source: CMS 2017 Home Health Claims – OASIS LDS file*

# LUPA Analysis

| Frequency of LUPAs by LUPA-Visit Threshold | | | | | | |
|---|---|---|---|---|---|---|
| | 2-Visit Threshold | | 3-Visit Threshold | | 4-Visit Threshold | |
| PDGM Clinical Grouping | No. of Weights | LUPA % | No. of Weights | LUPA % | No. of Weights | LUPA % |
| Behavioral health | 12 | 4.9% | 9 | 2.0% | 15 | 4.3% |
| Complex nursing | 16 | 12.7% | 13 | 4.2% | 6 | 3.8% |
| MMTA – Cardiac | 6 | 16.8% | 9 | 14.8% | 17 | 30.4% |
| MMTA – Endocrine | 4 | 3.1% | 14 | 12.3% | 13 | 4.4% |
| MMTA – GI/GU | 9 | 5.8% | 12 | 3.9% | 13 | 7.3% |
| MMTA – Infectious | 10 | 6.5% | 21 | 7.1% | 5 | 1.1% |
| MMTA – Respiratory | 9 | 9.4% | 8 | 5.2% | 16 | 15.9% |
| MMTA – Surgical aftercare | 9 | 1.9% | 10 | 1.4% | 12 | 2.6% |
| MMTA – Other | 5 | 10.9% | 11 | 9.7% | 10 | 9.2% |
| MS rehab | 7 | 17.7% | 3 | 2.2% | 8 | 5.6% |
| Neuro rehab | 6 | 8.8% | 5 | 5.2% | 9 | 7.1% |
| Wounds | 1 | 1.5% | 13 | 32.0% | 13 | 8.3% |
| All clinical groupings | 94 | 100.0% | 128 | 100.0% | 137 | 100.0% |

*Data source: CMS 2017 Home Health Claims – OASIS LDS file*

# LUPA Analysis

| Frequency of LUPAs by LUPA-Visit Threshold | | | | | | |
|---|---|---|---|---|---|---|
| | 5-Visit Threshold | | 6-Visit Threshold | | All Thresholds | |
| PDGM Clinical Grouping | No. of Weights | LUPA % | No. of Weights | LUPA % | No. of Weights | LUPA % |
| Behavioral health | 0 | 0.0% | 0 | 0.0% | 36 | 3.5% |
| Complex nursing | 1 | 0.1% | 0 | 0.0% | 36 | 7.9% |
| MMTA – Cardiac | 4 | 7.0% | 0 | 0.0% | 36 | 16.3% |
| MMTA – Endocrine | 5 | 4.5% | 0 | 0.0% | 36 | 5.0% |
| MMTA – GI/GU | 2 | 0.2% | 0 | 0.0% | 36 | 4.7% |
| MMTA – Infectious | 0 | 0.0% | 0 | 0.0% | 36 | 4.8% |
| MMTA – Respiratory | 3 | 0.5% | 0 | 0.0% | 36 | 8.0% |
| MMTA – Surgical aftercare | 5 | 2.1% | 0 | 0.0% | 36 | 1.8% |
| MMTA – Other | 10 | 17.4% | 0 | 0.0% | 36 | 10.8% |
| MS rehab | 12 | 41.9% | 6 | 88.5% | 36 | 19.3% |
| Neuro rehab | 12 | 14.6% | 4 | 11.5% | 36 | 8.7% |
| Wounds | 9 | 11.7% | 0 | 0.0% | 36 | 9.2% |
| All clinical groupings | 63 | 100.0% | 10 | 100.0% | 432 | 100.0% |

*Data source: CMS 2017 Home Health Claims – OASIS LDS file*

# Sales & Marketing Approach

**Admission Source:**

- Institutional: Discharged from an institutional setting (hospital, SNF, IRF, LTCH) in the 14 days prior to the HH admission
- Community: No institutional stay in the 14 days prior to the admission and Subsequent periods of an institutional discharge

*Analyze the Admission Source for your agency to determine if a shift in targeted referral sources could provide a positive impact for the agency overall.*

| Source | Percent | Payment |
|---|---|---|
| Community | 74.7% | $1,573 |
| Institutional | 25.3% | $2,434 |
| | | $861 |

Source: 2017 Medicare Final Claims Data, including additional impact analysis files from CMS.

# Sales & Marketing Approach

**Therapy Thresholds:** Elimination of added reimbursements for therapy thresholds

*If your agency is heavy on therapy cases, consider expanding targeted referral sources to improve the overall business mix in your agency.*

| Therapy Visits | 60-Day Payment | PDGM Payment | Difference | % of Total Annual Episodes | % of Similar Episodes with 2nd 30-day Period |
|---|---|---|---|---|---|
| 0 | $1,792 | $2,507 | $714 | 33.7% | 75.5% |
| 1-5 | $1,838 | $2,393 | $555 | 15.0% | 38.8% |
| 6-9 | $2,834 | $2,839 | $4 | 16.5% | 52.8% |
| 10-13 | $3,614 | $3,245 | -$368 | 13.1% | 77.5% |
| 14-19 | $4,205 | $3,415 | -$790 | 13.9% | 92.3% |
| 20+ | $5,443 | $3,771 | -$1,672 | 7.9% | 98.9% |

Source: 2017 Medicare Final Claims Data, including additional impact analysis files from CMS.

# Sales & Marketing Approach

**Therapy Thresholds:** Elimination of added reimbursements for therapy thresholds

*If your agency is heavy on therapy cases, consider expanding targeted referral sources to improve the overall business mix in your agency.*

| | |
|---|---|
| **Providers where over 50% of Episodes include 10 or more therapy visits** | **48.7%** |

Source: 2017 Medicare Final Claims Data, including additional impact analysis files from CMS.

# Sales & Marketing Approach

**Diagnosis Groupings Analysis:**

Top three diagnosis groups with the greatest expected ***positive*** reimbursement impact (of top 20 diagnosis groupings, based on primary dx code, by volume)

| Dx Grouping | 60-Day Payment | PDGM Payment | Delta | Claim Volume | % of with 2nd 30-day Period |
|---|---|---|---|---|---|
| Chronic Ulcer of Skin | $2,854 | $3,534 | $680 | 185,146 | 80.13% |
| Urinary and Genital Disorders | $1,813 | $2,359 | $546 | 74,028 | 86.25% |
| Diabetes with Complications | $2,676 | $3,160 | $484 | 262,049 | 83.19% |

Source: 2017 Medicare Final Claims Data, including additional impact analysis files from CMS.

# Sales & Marketing Approach

## Dx Groupings Analysis:

Top three diagnosis groups with the greatest ***negative*** reimbursement impact (of top 20 diagnosis groupings, based on primary dx code, by volume)

| Dx Grouping | 60-Day Payment | PDGM Payment | Delta | Claim Volume | % of with 2nd 30-day Period |
|---|---|---|---|---|---|
| Other Aftercare | $2,846 | $2,642 | ($204) | 535,523 | 39.79% |
| Other Connective Tissue Disease | $3,297 | $2,829 | ($468) | 205,306 | 69.29% |
| Stroke | $3,865 | $3,431 | ($434) | 159,954 | 74.16% |

Source: 2017 Medicare Final Claims Data, including additional impact analysis files from CMS.

# Changes in NRS Payments

- Currently, non-routine supplies (NRS) are paid separately from the HHRG payment, based on a case-mix model that calculates 6 different levels of payment from $ to $
- Under PDGM, NRS payments will be paid prospectively, but combined with the overall resource
- NRS cost is generated by taking NRS charges on claims and converting them to costs using a NRS cost-to-charge ratio that is specific to each HHA
- NRS is factored into the average resource use; NRS costs are reflected in the average resource use that establishes the case-mix weights (Cost per Minute + NRS)

# Changes in Non-Routine Supply Payments

- Breakouts by the 12 clinical categories

| Clinical Group | Payment Episodes Count | PPS NRS Amount | Average NRS | PDGM CMW Period 1 | PDGM CMW Period 2 |
|---|---|---|---|---|---|
| QE | 421,859 | $ 10,680,159 | $ 25.32 | | |
| MMTA - Other | 178,610 | $ 5,084,473 | $ 28.47 | 1.08 | 0.78 |
| Neuro Rehab | 264,850 | $ 7,065,653 | $ 26.68 | 1.32 | 0.97 |
| Wounds | 263,542 | $ 42,549,542 | $ 161.45 | 1.29 | 1.04 |
| Complex Nursing | 42,295 | $ 4,850,223 | $ 114.68 | 0.96 | 0.78 |
| MS Rehab | 603,921 | $ 17,023,243 | $ 28.19 | 1.31 | 0.87 |
| Behavioral Health | 62,137 | $ 1,231,416 | $ 19.82 | 0.93 | 0.68 |
| MMTA - Surgical Aftercare | 152,770 | $ 9,794,603 | $ 64.11 | 1.29 | 0.80 |
| MMTA - Cardiac | 434,989 | $ 21,033,383 | $ 48.35 | 1.12 | 0.80 |
| MMTA - Endocrine | 94,006 | $ 2,990,522 | $ 31.81 | 1.10 | 0.82 |
| MMTA - GI/GU | 121,491 | $ 5,475,608 | $ 45.07 | 1.19 | 0.79 |
| MMTA - Infectious | 125,107 | $ 8,020,678 | $ 64.11 | 1.12 | 0.77 |
| MMTA - Respiratory | 241,633 | $ 5,937,708 | $ 24.57 | 1.19 | 0.80 |
| **Grand Total** | **3,007,210** | **$ 141,737,211** | **$ 47.13** | **1.21** | **0.85** |

Data source: Strategic Healthcare Programs (SHP), national client database, 2017 episodes excluding LUPA, PEP, Outliers

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

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# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

## TECHNOLOGY CONSIDERATIONS

**Billie Whitehurst, Netsmart**

## Overview

- What to Expect from Your Business Partner
- What You Should Consider
  - Leverage Business Partner Events
  - Engage Early and Often
  - Policy and Procedure
  - Timelines
- Engagement
  - Referral Source
  - Field Staff

# Things to Expect from Your Business Partner

- Acknowledgement of their awareness (yes – make sure they know!)
- Periodic communication regarding business partner specific impacts:
  - Plans and schedules
  - Status
  - Educational or informational sessions (e.g., webinars)



# Leverage Business Partner Education Events

- Regulatory related
  - Ideally, your business partner should not present anything you don't know. The key here is to evaluate how well your business partner understands PDGM:
    - Can they enumerate the significant aspects of PDGM?
    - Are they able to respond effectively to questions regarding interpretations?
- Specific to your EMR
  - Your business partner should, with increasing specificity over time, enumerate planned solution changes.
  - You can plan the impact to training, policy, and procedure based on what your business partner is and is not implementing.

# Engage Early and Often

- Leverage product design sessions, if offered
  - Attend "whiteboarding" or wireframe reviews of planned enhancements
    - Be vocal – business partners can't design well in a vacuum
    - Share operating needs, such as real-time management reporting and analysis tools
- Participate in business partner calls
  - Many solicit and/or share regulatory interpretations
  - Help business partners prioritize EMR capabilities to:
    - Ensure compliance
    - Support efficiency
    - Reduce operational burden



# Policy and Procedure

- Accept that there will be policy and procedure changes required, regardless of how well your business partner supports PDGM
- Determine how you can leverage your business partner's solution to assess and manage:
  - 30 days periods of care, including recertification activities
  - LUPAs
  - Sophisticated wounds
  - Productivity, missed visits, timely in-home documentation
  - Orders and claims management (in a compressed timeframe)
  - Billing changes
  - Financial reporting - revenue recognition
  - Coding (Flow from referral, clinical processes, through to claims drives CMS behavioral adjustment assumptions)

# Policy and Procedure

- Support for:
  - Functional levels/limitations and comorbidities
  - Plans of Care, based on patient clinical grouping, comorbidity coding
    - Care map/Pathways and impact to late episode LUPAs
    - Complex episode nursing and therapy interventions
  - Hospitalization Risk Stratification refinement



# Timing Expectations

- It is reasonable to expect

| Business Partner Announcement | Timeframe |
|---|---|
| PDGM impact models | CY2018 Q4 |
| PDGM release schedules | CY2018 Q4 or CY2019 Q1 at the latest |
| Pilot or beta testing opportunities | CY2019 Q3 |
| Production release of a PDGM solution | CY2019 Q4 |

# Other Technology Considerations

- Thoroughly compare PDGM against your business partner's current and proposed solution
- If there are gaps, identify other technology solutions you may need to comply (or survive). For example:
  - Digital communication and documentation flows,
  - Revenue cycle management,
  - Productivity reporting and analytics, and
  - Patient risk stratification to leverage appropriate levels of:
    - Telemonitoring
    - Virtual interactive visits
- Identify integrated workflows with your electronic health record



# Referral Source Engagement

- Educate your referring physician on PDGM
- Patient status transparency
- Integration of key workflows
  - Referral
  - Discharge
- Network membership
  - Carequality, Commonwell, and SureScripts
  - Regional and local Health Information Exchanges

# Field Staff Engagement

- Evaluate new controls and decision support available at point of care
- Review your field staff's workflow and your point-of-care data collection, make relevant changes, and provide necessary training.
- Identify impacted communication practices



# Asking the Hard Questions

- What is your business partner's track record with other regulations?
- What reserves for capital or operating expenses may be necessary as part of your PDGM upgrade?
- Do you have the skills internally? For example:
  - Report writing to supplement business partner reporting
  - Coding and QA

# PDGM NATIONAL SUMMIT

## A REVOLUTION IN MEDICARE HOME HEALTH PAYMENT

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