ACHC U®
EDUCATIONAL RESOURCES

HOME HEALTH

THE PDGM REFRESHER

Presented by:
Sharon M. Litwin, RN, BSHS, MHA, HCS-D
Senior Manager - Coding & Clinical Consulting
Healthcare Provider Solutions

OBJECTIVES

- Development of PDGM
- PDGM Payment Model
- 2021 RAP Submission
- PDGM 2021 Financial Impacts
- Achieving Success Under PDGM

ACHC U®
EDUCATIONAL RESOURCES

Development of Patient Driven Groupings Model - PDGM

DEVELOPMENT OF PDGM

- PDGM was prompted for development by the MedPAC Annual Reports from 2011, 2015, 2017.
- In these reports, it was said that:
  - The Medicare Home Health (HH) benefit is ill-defined.
  - The HH payment should not be based on the number of therapy visits.
  - The HH payment should be determined by patient characteristics.

DEVELOPMENT OF PDGM

- In CY 2019, CMS finalized PDGM, an alternative case-mix method in the final Home Health Prospective Payment System (HH PPS) Rate Update.
- This new payment model relies more heavily on clinical characteristics and other patient information to place home health periods of care into payment categories and eliminates therapy service thresholds.
- It is Budget Neutral.
    - This doesn't mean it is budget neutral to your agency, but that the estimated aggregate expenditures under the HH PPS during CY 2020 are equal to the estimated aggregate expenditures that otherwise would have been made under the HH PPS during CY 2020 in the absence of the change to a 30-day unit of service.

ACHC U®
EDUCATIONAL RESOURCES

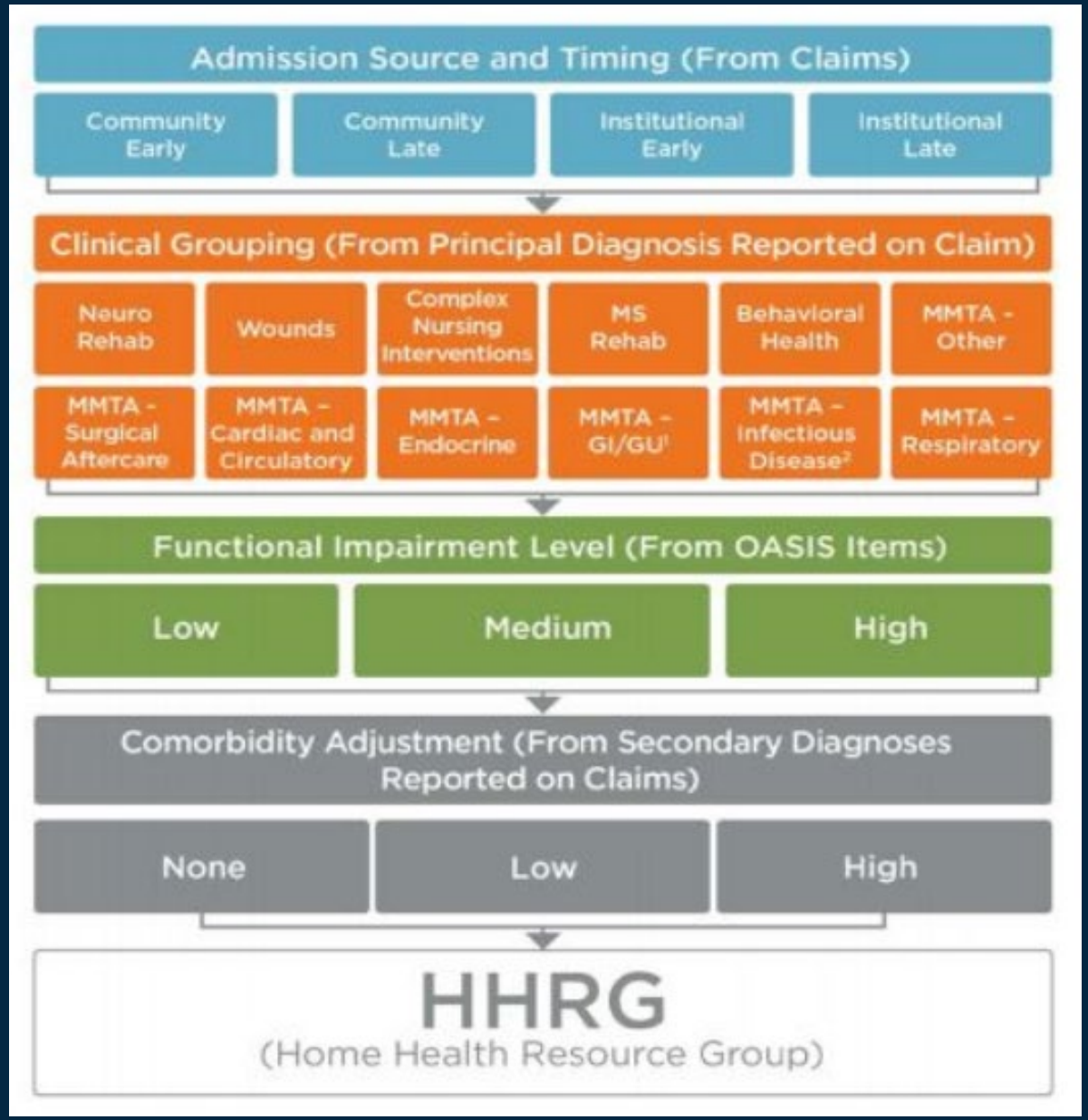
PDGM Payment Model

PDGM PAYMENT MODEL ELEMENTS

- Relies on clinical characteristics to place patients into one of 12 Clinical Groups - payment categories
- Eliminated the use of the number of therapy visits to determine payment
- Payment change from 60-day to 30-day
- Certification period remains 60 days
- LUPA range of 2-6 visits for each 30-day period
- PEP is based on a 30-day period
- Supplies are bundled

PDGM PAYMENT MODEL

- PDGM assigns 30-Day periods of care into one of 432 case-mix groups based on 5 categories:
  - Admission Source
  - Timing
  - Clinical Grouping
  - Functional Impairment Level
  - Comorbidity Adjustment



Source: https://www.federalregister.gov/documents/2020/11/04/2020-24146/medicare-and-medicaid-programs-cy-2021-home-health-prospective-payment-system-rate-update-home

PDGM – HIPPS Code Structure

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

PDGM ADMISSION SOURCE

- 2 Categories - Community, Institutional
- Classification is assigned based on what healthcare setting was utilized in the 14 days prior to home health admission.
- Higher reimbursement for Institutional.
- Late 30-day periods are always classified as a community admission unless an Acute Care Hospital admission occurred 14 days prior to the Late 30-day period.

PDGM ADMISSION SOURCE

NOTE:

- A post-acute stay (SNF, Rehab, Psychiatric or LTCH) in the 14 days prior to a late home health 30-day period would not be classified as an institutional admission ***unless*** the patient had been discharged from home health prior to post-acute stay.
- *CMS expects the HHA to discharge the patient* if the patient required post-acute care in a different setting, or inpatient psychiatric care, and then readmit the patient, if necessary, after discharge from such setting.

ADMISSION SOURCE

- If the HHA does not include an occurrence code indicating the patient had an inpatient stay, then the admission source will be categorized as community, if no claim is processed in the common working file.
- Admission source can be adjusted if a claim is filed later by the acute/post-acute facility.
- CMS will only adjust payment on the final home health claim submitted for source of admission.

PDGM - TIMING

- Timing:
  - **Early** - the first 30-day period in a sequence of 30-day periods
  - **Late** - every subsequent payment period after the first 30-day

TIMING

- There must be a gap of at least 60 days between the end of one 30-day period and the start of a new 30-day period in order for it to be classified as early.
- 30-Day period only affects payment.
- No changes to 60-Day requirements for certification/recertification, completion of OASIS assessments, or updates to the patient's plan of care.

PDGM - CLINICAL GROUP

- Clinical Group
  - Key component of determining payment in PDGM is the 30-day period clinical group assignment
    - Each 30-day period will be grouped into one of 12 clinical groups based on the patient's primary diagnosis
    - The primary diagnosis provides information to describe the primary reason for which a patient is receiving home health services

PDGM CLINICAL GROUPS

CLINICAL GROUP	PRIMARY REASON FOR HOME HEALTH ENCOUNTER IS TO PROVIDE:
Musculoskeletal Rehabilitation	Therapy (PT/OT/SLP) for a musculoskeletal condition
Neuro/Stroke Rehabilitation	Therapy (PT/OT/SLP) for a neurological condition or stroke
Wounds - Post-Op Wound Aftercare and Skin/ Non-Surgical Wound Care	Assessment, treatment and evaluation of a surgical wound(s); assessment, treatment and evaluation of non-surgical wounds, ulcers burns and other lesions
Behavioral Health Care	Assessment, treatment and evaluation of psychiatric and substance abuse conditions
Complex Nursing Interventions	Assessment, treatment and evaluation of complex medical and 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 condition
MMTA – Infectious Disease/Neoplasms/ Blood-forming Diseases	Assessment, evaluation, teaching, and medication management for conditions related to Infectious diseases/Neoplasms/ 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 - FUNCTIONAL IMPAIRMENT LEVEL

- Low, Medium or High based on the responses to the following OASIS items:
  - M1800 - Grooming
  - M1810 - Upper Body Dressing
  - M1820 - Lower Body Dressing
  - M1830 - Bathing
  - M1840 - Toilet Transferring
  - M1850 - Transferring
  - M1860 - Ambulation/Locomotion
  - M1033 - Risk for Hospitalization - *excludes responses 8-reports exhaustion, 9-risk(s) not listed in 1-8, and 10-none of the above

FUNCTIONAL IMPAIRMENT LEVEL-OASIS

- Within each Clinical Group, levels of impairment are split into thirds and assigned to a Low, Medium or High category.
- Anticipate roughly 33% of periods of care will fall into each of the categories.
- The functional impairment level assigned is similar to the functional level assigned under PPS currently.

FUNCTIONAL IMPAIRMENT LEVEL - OASIS

OASIS Points Table	Responses	Points (2018)
M1800: Grooming	0 or 1	0
	2 or 3	5
M1810: Current Ability to Dress Upper Body	0 or 1	0
	2 or 3	6
M1820 Current Ability to Dress Lower Body	0 or 1	0
	2	5
	3	12
M1830: Bathing	0 or 1	0
	2	3
	3 or 4	13
	5 or 6	20
M1840: Toilet Transferring	0 or 1	0
	2, 3 or 4	5
M1850: Transferring	0	0
	1	3
	2, 3, 4 or 5	7
M1860: Ambulation/Locomotion	0 or 1	0
	2	9
	3	11
	4, 5 or 6	23
M1033: Risk of Hospitalization	Three or fewer items marked (Excluding responses 8, 9 or 10)	0
	Four or more items marked (Excluding responses 8, 9 or 10)	11

THRESHOLDS FOR FUNCTIONAL IMPAIRMENT LEVELS

Clinical Group	Functional Impairment Level	Total Points
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	0-45
	Medium	46-60
	High	61+
Wound	Low	0-41
	Medium	42-59
	High	60+
MMTA - Other	Low	0-36
	Medium	37-52
	High	53+

THRESHOLDS FOR FUNCTIONAL IMPAIRMENT LEVELS

Clinical Group	Functional Impairment Level	Total Points
MMTA – Surgical Aftercare	Low	0-37
	Medium	38-50
	High	51+
MMTA – Cardiac and Circulatory	Low	0-36
	Medium	37-52
	High	53+
MMTA - Endocrine	Low	0-34
	Medium	35-52
	High	53+
MMTA – Gastrointestinal tract and Genitourinary system	Low	0-41
	Medium	42-54
	High	55+
MMTA – Infectious Disease, Neoplasms, and Blood-Forming Diseases	Low	0-36
	Medium	37-52
	High	53+
MMTA - Respiratory	Low	0-37
	Medium	38-52
	High	53+

PDGM – COMORBIDITY ADJUSTMENTS

- A comorbidity is defined as a medical condition coexisting in addition to a principal diagnosis.
  - Comorbidity is tied to poorer health outcomes, more complex medical need and management, and a higher level of care
- Comorbidity Adjustments in PDGM
  - Accounts for differences in resource use based on patient characteristics
  - Uses the presence of home health specific comorbidities as part of the overall case-mix adjustment.
  - Payments adjust based on patient's secondary diagnoses as reported by the HHA on the home health claim.

PDGM - COMORBIDITY ADJUSTMENTS

A Home Health specific comorbidity list was developed with broad clinical categories used to group comorbidities within PDGM

- Heart disease
- Respiratory disease
- Circulatory disease
- Cerebral vascular disease
- Gastrointestinal disease
- Neurological conditions
- Endocrine disease
- Neoplasms
- Genitourinary/Renal disease
- Skin disease
- Musculoskeletal disease
- Behavioral health issues (including substance use disorders)
- Infectious diseases

PDGM - COMORBIDITY ADJUSTMENTS

A Home Health specific comorbidity list was developed with broad clinical categories used to group comorbidities within PDGM

- Heart disease
- Respiratory disease
- Circulatory disease
- Cerebral vascular disease
- Gastrointestinal disease
- Neurological conditions
- Endocrine disease
- Neoplasms
- Genitourinary/Renal disease
- Skin disease
- Musculoskeletal disease
- Behavioral health issues (including substance use disorders)
- Infectious diseases

PDGM - COMORBIDITY ADJUSTMENT

- 30-day periods of care can receive a comorbidity adjustment under the following circumstances:
    - No comorbidity adjustment:
        - No secondary diagnoses exist, or none meet the criteria for a low or high comorbidity adjustment.
    - Low comorbidity adjustment:
        - There is a secondary diagnosis on the HH-specific comorbidity subgroup list that is associated with higher resource use.
    - High comorbidity adjustment:
        - 2 or more secondary diagnoses on the HH-specific comorbidity subgroup interaction list that are associated with higher resource use when both are reported together compared to if they were reported separately.
            - The two diagnoses may interact with one another, resulting in higher resource use.

PDGM - COMORBIDITY ADJUSTMENT

- 14 Comorbidity subgroups receive the low comorbidity adjustment
  - Effective April 1, 2020 a new comorbidity subgroup, Respiratory 10 (which includes U07.1 COVID-19), was added which receives a low comorbidity adjustment.
- 31 comorbidity subgroups receive the high comorbidity adjustment.
- Effective January 1, 2021 - J12.82 Pneumonia due to coronavirus disease 2019 was added to the Comorbidity Group Respiratory 2.
- Effective April 1, 2020 both U07.1, COVID-19 and U07.0, Vaping-related disorder were assigned to the Medication Management, Teaching and Assessment-Respiratory (MMTA-Respiratory) clinical group for purposes of case-mix adjustment under the HH PPS.

PDGM -LOW COMORBIDITY ADJUSTMENT SUBGROUPS

Comorbidity Subgroup	Description for Low Comorbidity Subgroups
Cerebral 4	Includes sequelae of cerebral vascular diseases
Circulatory 4	Include hypertensive chronic kidney disease
Circulatory 9	Includes acute and chronic embolisms and thrombosis
Circulatory 10	Includes varicose veins with ulceration
Endocrine 2	Diabetes due to a Known Underlying Condition
Heart 11	Includes heart failure
Neoplasms 1	Includes oral cancers
Neuro 5	Includes Parkinson's disease
Neuro 7	Includes hemiplegia, paraplegia, and quadriplegia
Neuro 10	Includes peripheral and polyneuropathies
Respiratory 10	Includes respiratory disease
Skin 1	Includes cutaneous abscess, cellulitis, lymphangitis
Skin 3	Includes diseases of arteries, arterioles, & capillaries with ulceration & non-pressure, chronic ulcers
Skin 4	Includes Stages Two through Four and Unstageable pressure ulcers

PDGM - HIGH COMORBIDITY ADJUSTMENT INTERACTION SUBGROUPS

Comorbidity Subgroup Interaction	Comorbidity Subgroup	Description	Comorbidity Subgroup	Description
1	Behavioral 2	Includes depression and bipolar disorder	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
2	Cerebral 4	Includes sequelae of cerebral vascular diseases	Circulatory 4	Includes hypertensive chronic kidney disease
3	Cerebral 4	Includes sequelae of cerebral vascular diseases	Heart 10	Includes cardiac dysrhythmias
4	Cerebral 4	Includes sequelae of cerebral vascular diseases	Heart 11	Includes heart failure
5	Cerebral 4	Includes sequelae of cerebral vascular diseases	Neuro 10	Includes peripheral and polyneuropathies
6	Circulatory 4	Includes hypertensive chronic kidney disease	Skin 1	Includes cutaneous abscess, cellulitis, lymphangitis
7	Circulatory 4	Includes hypertensive chronic kidney disease	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
8	Circulatory 4	Includes hypertensive chronic kidney disease	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
9	Endocrine 3	Includes diabetes with complications	Neuro 5	Includes Parkinson’s disease
10	Endocrine 3	Includes diabetes with complications	Neuro 7	Includes hemiplegia, paraplegia, and quadriplegia
11	Endocrine 3	Includes diabetes with complications	Skin 1	Includes cutaneous abscess, cellulitis, lymphangitis
12	Endocrine 3	Includes diabetes with complications	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers

PDGM - HIGH COMORBIDITY ADJUSTMENT INTERACTION SUBGROUPS

Comorbidity Subgroup Interaction	Comorbidity Subgroup	Description	Comorbidity Subgroup	Description
13	Heart 10	Includes cardiac dysrhythmias	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
14	Heart 11	Includes heart failure	Neuro 10	Includes peripheral and polyneuropathies
15	Heart 11	Includes heart failure	Neuro 5	Includes Parkinson's disease
16	Heart 11	Includes heart failure	Skin 1	Includes cutaneous abscess, cellulitis, lymphangitis
17	Heart 11	Includes heart failure	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
18	Heart 11	Includes heart failure	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
19	Heart 12	Includes other heart diseases	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
20	Heart 12	Includes other heart diseases	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
21	Neuro 10	Includes peripheral and polyneuropathies	Neuro 5	Includes Parkinson's disease
22	Neuro 3	Includes dementias	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers

PDGM - HIGH COMORBIDITY ADJUSTMENT INTERACTION SUBGROUPS

Comorbidity Subgroup Interaction	Comorbidity Subgroup	Description	Comorbidity Subgroup	Description
23	Neuro 5	Includes Parkinson's disease	Renal 3	Includes nephrogenic diabetes insipidus
24	Neuro 7	Includes hemiplegia, paraplegia, and quadriplegia	Renal 3	Includes nephrogenic diabetes insipidus
25	Renal 1	Includes Chronic kidney disease and ESRD	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
26	Renal 1	Includes Chronic kidney disease and ESRD	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
27	Renal 3	Includes nephrogenic diabetes insipidus	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
28	Resp 5	Includes COPD and asthma	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
29	Resp 5	Includes COPD and asthma	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers
30	Skin 1	Includes cutaneous abscess, cellulitis, lymphangitis	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers
31	Skin 3	Includes diseases of arteries, arterioles, and capillaries with ulceration and non-pressure, chronic ulcers	Skin 4	Includes Stages Two Through Four and Unstageable Pressure ulcers

PDGM - COMORBIDITY ADJUSTMENT

- Only one comorbidity adjustment is permitted
  - A 30-day period of care can receive only one low comorbidity adjustment or one high comorbidity adjustment
    - Regardless of the number of secondary diagnoses or high comorbidity subgroup interactions reported on the claim
  - The highest level will be assigned

PDGM – COMORBIDITY CODING

- OASIS only allows HHAs to designate 1 primary diagnosis and 5 secondary diagnoses, however, the home health claim allows HHAs to designate 1 principal diagnosis and 24 secondary diagnoses.
- All 24 secondary diagnoses can impact reimbursement.
- The comorbidity adjustment in PDGM can increase payment by up to 20 percent.

CLINICAL GROUPING-UNACCEPTED DIAGNOSIS

- Based on the primary diagnosis, each 30-day period will be placed into one of the 12 clinical groupings
- If the primary diagnosis does not fit into one of the 12 clinical groups in the payment model, this is considered an "Unaccepted Diagnosis"
- Keep in mind that an “Unaccepted Diagnosis” means a patient’s diagnosis isn’t appropriate for a Medicare Home Health encounter!

CLINICAL GROUPING-UNACCEPTED DIAGNOSIS

- Significance of an "Unaccepted Diagnosis"
  - If a claim is submitted with a primary diagnosis that doesn't fit into one of the 12 clinical groupings, the claim will be sent back to the agency as an "RTP"- Return to Provider.
  - The agency will then need to review & resubmit the claim with a more appropriate primary diagnosis which does fit into a clinical grouping.

PDGM – SCIC & OTHER FOLLOW UP OASIS

- Primary Diagnosis change for 30-day payment periods.
- CMS does NOT mandate that a Follow up Comprehensive OASIS assessment is to be done.
  - However, refers to our CoPs:
- HHA is required to complete an 'other follow-up' (RFA 05) assessment when such a change would be considered a major decline or improvement in the patient's health status.
- If a patient experienced a significant change in condition before the start of a subsequent, contiguous 30-day period, for example due to a fall, in accordance with 484.55(d)(1)(ii), the HHA is required to update the comprehensive assessment.

PDGM LUPA - LOW UTILIZATION PAYMENT ADJUSTMENT

- Different threshold for each of the 432 PDGM payment groups
  - 10th percentile value of visits or 2 visits, whichever is higher, were identified in each group to determine the LUPA threshold
  - LUPA range is 2 or less visits to 6 or less visits
  - LUPA payment range 1 – 5 visits
  - Based on each 30-day period

ACHC U®
EDUCATIONAL RESOURCES

SHP PGDM Benchmarking Data

CLINICAL GROUP	% Clinical Groups 2018 CMS	% Clinical Groups 2020 SHP	Case-Mix Weight All Periods	Visit Utilization Totals by Clinical Group	Top Diagnoses Codes by Clinical Group	Top Diagnosis Code Descriptions by Clinical Group
MMTA – Other	3.0%	3.1%	1.006	8.02	G89.29	Other Chronic Pain
Neuro/Stroke Rehabilitation	10.2%	10.7%	1.184	9.19	G20.	Parkinson's disease
Wounds	11.9%	14.8%	1.203	9.46	E11.621	Type 2 diabetes mellitus with foot ulcer
Complex Nursing Interventions	4.4%	4.0%	0.845	5.88	Z46.6	Encounter for fitting and adjustment of urinary device
Musculoskeletal Rehabilitation	18.8%	19.0%	1.157	9.23	Z47.1	Aftercare following joint replacement surgery
Behavioral Health Care	3.1%	2.8%	0.798	6.90	F03.90	Unspecified dementia without behavioral disturbance
MMTA –Surgical Aftercare	3.4%	4.2%	1.074	8.71	Z48.812	Encounter for surgical aftercare following surgery on the circ sys
MMTA – Cardiac/Circulatory	21.9%	17.3%	0.966	7.87	I11.0	Hypertensive heart disease with heart failure
MMTA – Endocrine	7.1%	5.6%	1.057	8.17	E11.9	Type 2 diabetes mellitus without complications
MMTA – GI/GU	4.1%	5.0%	0.999	8.06	N39.0	Urinary tract infection, site not specified
MMTA – Infectious Disease	3.8%	5.2%	0.999	7.67	A41.9	Sepsis, unspecified organism
MMTA –Respiratory	8.3%	8.4%	1.024	8.26	J44.9	Chronic obstructive pulmonary disease, unspecified
	Total 100.0%	Total 100.0%	Overall 1.070	Overall 8.51		

Reference Source: SHP National Database: Jan-December 2020

Top 10 Diagnoses Codes	Top Diagnosis Code Descriptions by Clinical Group	Clinical Group	Periods Count
Z47.1	Aftercare following joint replacement surgery	Musculoskeletal Rehabilitation	227,999
I11.0	Hypertensive heart disease with heart failure	MMTA – Cardiac/Circulatory	188,278
I10	Essential (primary) hypertension	MMTA – Cardiac/Circulatory	175,248
I13.0	Hypertensive heart & chronic kidney disease with heart failure and stg 1-4/unspecified chronic kidney disease	MMTA – Cardiac/Circulatory	161,907
I25.10	Atherosclerotic heart disease of native coronary artery without angina pectoris	MMTA – Cardiac/Circulatory	147,143
J44.9	Chronic obstructive pulmonary disease, unspecified	MMTA - Respiratory	124,948
Z46.6	Encounter for fitting and adjustment of urinary device	Complex Nursing Interventions	124,878
G20	Parkinson's disease	Neuro/Stroke Rehabilitation	114,606
N39.0	Urinary tract infection, site not specified	MMTA – GI/GU	105,391
Z48.812	Encounter for surgical aftercare following surgery on the circ sys	MMTA – Surgical Aftercare	101,615
Top 10 Total			

Reference Source: SHP National Database: Jan-December 2020

	CY 2018	CY 2020
Comorbidity Adjustment	**CMS**	**SHP**
None	56.4%	47.4%
Low	35.5%	37.9%
High	8.1%	14.7%
Total	**100.0%**	**100.0%**
Functional Impairment	**CMS**	**SHP**
Low	35.1%	23.9%
Medium	33.4%	32.0%
High	31.5%	44.1%
Total	**100.0%**	**100.0%**
Source & Timing	**CMS**	**SHP**
Community – Early	13.3%	12.4%
Institutional – Early	18.5%	23.9%
Community – Late	61.4%	58.6%
Institutional – Late	6.8%	5.1%
Total	**100.0%**	**100%**

Reference Source: SHP National Database: Jan-December 2020

ACHC U®
EDUCATIONAL RESOURCES

2021 RAP Submission

CY 2021 RAP SUBMISSION

- Agencies **will not** get a RAP payment starting in 2021

- **No pay RAP submission – both new and existing HHAs**
  - All 30-day periods beginning on or after January 1, 2021
- **RAP must be submitted & accepted within 5 calendar days of the first day of the 30-day payment period**
  - Failure to submit within 5 calendar days will result in payment reduction 1/30th each day from day 1 of the period until the day before the RAP is accepted
  - LUPA 30-Day Period of Care
    - If HHA fails to submit a timely RAP, no LUPA payments for days that fall within the period of care prior to the submission of the RAP

INFORMATION REQUIRED FOR A RAP SUBMISSION

- The information an agency needs to submit a RAP beginning January 2021 will be less than in 2020.
- Agencies are to submit the RAP when:
  1. The appropriate physician's written or verbal order that sets out the services required for the initial visit has been received and documented as required at 42 Code of Federal Regulations (CFR) Sections § 484.60(b) and § 409.43(d); and
  2. The initial visit within the 60-day certification period has been made and the individual is admitted to HH care [84 FR 60548] .

INFORMATION REQUIRED FOR RAP SUBMISSION

- Coding, OASIS and the plan of care will not be required to be complete in order to submit a RAP in 2021.
- There is a requirement that a HIPPS code be present on the RAP.
- CMS has clarified that any HIPPS code may be used.
- Consider having a standard HIPPS code in your billing system to be used on all RAPs.
- The HIPPS code on RAPs in 2021 will need to match the HIPPS codes on the final claims and a generic HIPPS code is recommended on the Final as well - - no impact to reimbursement due to the MAC calculating the HIPPS code that you are paid for.
- The info needed to submit a RAP in calendar year 2021 will mirror the one-time NOA process which begins in 2022.

RAP SUBMISSION

- When the plan of care dictates multiple 30-day periods of care will be required to effectively treat the patient, HHAs will be allowed to submit RAPs for both the first and second 30-day periods of care (for a 60-day certification) at the same time.

RAP – AGENCY SUBMISSION VS MAC ACCEPTANCE

- Agency submission and MAC acceptance dates are different
  - Hospices have the same issue with the Notice of Election (NOE) process that has been in place for several years.
- The RAP penalty begins at the start of the period through the day before the RAP is accepted.
- The date the agency files the RAP is not considered - - It is the date the RAP is accepted at the MAC.

PDGM - NOA – NOTICE OF ADMISSION

- CY 2022
- The submission of RAPs will be eliminated
- One-time Notice of Admission to establish HH period within 5 calendar days from SOC
  - Establishes the home health period of care and covers all contiguous 30-day periods of care until the patient is discharged
- Failure to submit within 5 calendar days will result in payment reduction 1/30th each day from SOC until the day before the NOA is accepted
- LUPA 30-Day Period of Care
  - If HHA fails to submit a timely NOA, no LUPA payments for days that fall within the period of care prior to the submission of the NOA

ACHC U®
EDUCATIONAL RESOURCES

PDGM 2021 Financial Impacts

CY 2021 PAYMENT RATE UPDATES

- Market Basket Update
- The final rule set the update at 2.0% - using a market basket increase of 2.3 % and a Multifactor Productivity Adjustment (MFP) of 0.3 % point.
- For those HHAs that ***do not*** submit quality data as required, they will continue to have their home health payment update percentage decreased by 2.0 percentage points.

FINANCIAL IMPACTS – CY 2021 STANDARDIZED 30-DAY PAYMENT QUALITY DATA SUBMITTED

TABLE 7: CY 2021 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT

CY 2020 30-day Budget Neutral (BN) Standard Amount	Wage Index Budget Neutrality Factor	CY 2021 HH Payment Update	CY 2021 National, Standardized 30-Day Period Payment
$1,864.03	X 0.9999	X 1.020	$1,901.12

FINANCIAL IMPACTS – CY 2021 STANDARDIZED 30-DAY PAYMENT QUALITY DATA NOT SUBMITTED

TABLE 8: CY 2021 NATIONAL, STANDARDIZED 30-DAY PERIOD PAYMENT AMOUNT FOR HHAS THAT DO NOT SUBMIT THE QUALITY DATA

CY 2020 National, Standardized 30-Day Budget Neutral (BN) Period Payment	Wage Index Budget Neutrality Factor	CY 2021 HH Payment Update Minus 2 Percentage Points	CY 2021 National, Standardized 30-Day Period Payment
$1,864.03	X 0.9999	X 1.000	$1,863.84

CY 2021 – LUPAS PER VISIT PAYMENT AMOUNT – QUALITY DATA SUBMITTED

TABLE 9: CY 2021 NATIONAL PER-VISIT PAYMENT AMOUNTS

HH Discipline	CY 2020 Per-Visit Payment	Wage Index Budget Neutrality Factor	CY 2021 HH Payment Update	CY 2021 Per-Visit Payment
Home Health Aide	$67.78	X 0.9997	X 1.020	$69.11
Medical Social Services	$239.92	X 0.9997	X 1.020	$244.64
Occupational Therapy	$164.74	X 0.9997	X 1.020	$167.98
Physical Therapy	$163.61	X 0.9997	X 1.020	$166.83
Skilled Nursing	$149.68	X 0.9997	X 1.020	$152.63
Speech-Language Pathology	$177.84	X 0.9997	X 1.020	$181.34

CY 2021 – LUPAS PER VISIT PAYMENT AMOUNT – QUALITY DATA NOT SUBMITTED

TABLE 10: CY 2021 NATIONAL PER-VISIT PAYMENT AMOUNTS FOR HHAS THAT DO NOT SUBMIT THE REQUIRED QUALITY DATA

HH Discipline	CY 2020 Per-Visit Rates	Wage Index Budget Neutrality Factor	CY 2021 HH Payment Update Minus 2 Percentage Points	CY 2021 Per-Visit Rates
Home Health Aide	$67.78	X 0.9997	X 1.000	$67.76
Medical Social Services	$239.92	X 0.9997	X 1.000	$239.85
Occupational Therapy	$164.74	X 0.9997	X 1.000	$164.69
Physical Therapy	$163.61	X 0.9997	X 1.000	$163.56
Skilled Nursing	$149.68	X 0.9997	X 1.000	$149.64
Speech- Language Pathology	$177.84	X 0.9997	X 1.000	$177.79

CY 2021 – RURAL ADD ON

- Rural Add-on Payments – CY 2019-CY 2022

TABLE 11: HH PPS RURAL ADD-ON PERCENTAGES, CYs 2019-2022

Category	CY 2019	CY 2020	CY 2021	CY 2022
High utilization	1.5%	0.5%	None	None
Low population density	4.0%	3.0%	2.0%	1.0%
All other	3.0%	2.0%	1.0%	None

WAGE INDEX

- Labor Market Delineations
  - Urban Counties Becoming Rural
    - 34 counties would change to rural status
  - Rural Counties Becoming Urban
    - 47 counties designated rural would change to urban
  - Urban Counties Moving to a Different Urban CBSA
    - Several urban counties would shift from one urban CBSA to another urban CBSA
  - Some CBSAs have counties that would split off to become part of or to form entirely new labor market areas
- Transition
  - 5% Cap on any decrease in a geographic area's wage index from prior calendar year
- Check to see if your agency will be affected

ACHC U®
EDUCATIONAL RESOURCES

Payment in PDGM

PAYMENT IN PDGM

- Each 30-day period will have a final claim
  - In order to file a clean final claim
    - Documentation must be complete and accurate
    - Orders returned signed and dated
    - Face-to-Face present and related to the episode of care
  - Negative impact to AR if you are not timely with your documentation or have problems getting physicians to return orders.

PARTIAL PAYMENT ADJUSTMENT

- Payments are adjusted if a patient:
  - Transfers from one home health agency to another or
  - Discharged and readmitted to the same agency within 30-days of the original 30-day period start date.
  - Changes Insurance changes from traditional Medicare to Medicare Advantage
- The case mix adjusted payment for 30-day periods of this type are pro-rated based on the length of the 30-day period ending in transfer or discharge and readmission, resulting in a partial period payment.

OUTLIER PAYMENT

- Periods that have estimated costs of care (the wage adjusted costs) that exceed a specific outlier threshold receive an outlier payment to cover a portion of the high cost associated with that 30-day period.
- The approach to calculating the outlier payment is the same as the approach used in the prior PPS system.

ACHC U®
EDUCATIONAL RESOURCES

Achieving Success Under PDGM

ACHIEVING SUCCESS UNDER PDGM

- What should you be doing to achieve success under PDGM?
- Ongoing Monitoring/Process Improvement of your agency processes from intake to discharge to identify effectiveness of work-flow and promptly identify any areas of concern/ needed changes
  - Prevent issues from developing into big problems!

ACHIEVING SUCCESS UNDER PDGM

- Operational Efficiencies
  - Intake
    - Ensure that your intake staff are trained regarding information that will be needed from the referral source
      - Acceptable Diagnosis
      - Orders/Services needed
      - H&P
  - Coding
    - Coders should be certified and experienced
      - If no internal staff certified, consider outsourcing coding
    - Make sure all coders are trained on and have thorough understanding of PDGM

ACHIEVING SUCCESS UNDER PDGM

- Operational Efficiencies
  - OASIS Review
    - OASIS Reviewers should be certified in OASIS
      - If no internal staff certified, consider outsourcing OASIS Review
    - Make sure all OASIS reviewers are trained on and have thorough understanding of PDGM
    - Functional Impairment Level is dependent upon OASIS documentation
    - Provide ongoing OASIS training to all staff clinical staff
      - CMS Quarterly Q&As

ACHIEVING SUCCESS UNDER PDGM

- Operational Efficiencies
  - Interdisciplinary Care
    - Ensure ALL Clinicians understand the importance of Interdisciplinary care/clinical episode management, COMMUNICATION
    - This is KEY to achieving success under PDGM!
  - POC
    - Plan of care development should be multidisciplinary
    - All disciplines working toward common goals to improve patient outcomes

ACHIEVING SUCCESS UNDER PDGM

- Operational Efficiencies
  - Documentation
    - Ensure clinicians are completing documentation timely
      - Set standards for expectations
      - Hold clinicians accountable
  - Order Tracking
    - Crucial due to 30-day periods
    - Have specific staff assigned to order tracking
    - Develop processes for timeliness

ACHIEVING SUCCESS UNDER PDGM

- Operational Efficiencies
  - Billing
    - RAP must be submitted & accepted within 5 calendar days of the first day of the 30-day payment period
    - Assign specific billing staff to monitor RAP submissions/ RTP file
    - Use Dashboards

ACHIEVING SUCCESS UNDER PDGM

- PDGM team/teams to monitor/address areas that are identified as problematic and implement changes needed to positively impact these areas.
- Ongoing PDGM Education
  - Intake
  - Coders
  - Physician/Hospital/Facility Referral Sources
  - Clinical Leaders/Clinical Staff
  - Billing Department
  - Marketing Personnel

CONCLUSION

- PDGM Payment Model remains same for CY 2021
- No RAP Payment in 2021
- RAP must be submitted & accepted within 5 calendar days of the first day of the 30-day payment period
  - Failure to submit within 5 calendar days will result in payment reduction 1/30th each day from day 1 of the period until the day before the RAP is accepted
  - LUPA 30-Day Period of Care
    - If HHA fails to submit a timely RAP, no LUPA payments for days that fall within the period of care prior to the submission of the RAP

CONCLUSION

- Intake
  - Ensure acceptable diagnosis on referral
- Monitor coding practices
  - Have certified, experienced coders
- OASIS must be accurate and completed timely
- Ongoing PDGM Education
- Ongoing Monitoring/Process Improvement is vitally important to achieve success under PDGM!

RESOURCES

- Federal Register:
- https://www.federalregister.gov/documents/2020/11/04/2020-24146/medicare-and-medicaid-programs-cy-2021-home-health-prospective-payment-system-rate-update-home
- https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM
- https://www.cms.gov/files/document/se19027.pdf


ACHC U
EDUCATIONAL RESOURCES
HOME HEALTH
QUESTIONS?

ACHC U®
EDUCATIONAL RESOURCES

THANK YOU!

Sharon M. Litwin, RN, BSHS, MHA, HCS-D
Senior Manager – Coding & Clinical Consulting
Healthcare Provider Solutions
615-399-7499
healthcareprovidersolutions.com