



# Patient Driven Payment Model (PDPM)

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## Resource Utilization Group, Version IV (RUG-IV)

Under RUG-IV:

- Most patients are classified into a therapy payment group, which uses primarily the volume of therapy services provided to the patient as the basis for payment classification.
- SNF often receive the same payment for SNF residents who have significant differences in terms of nursing needs.

## Patient Driven Payment Model (PDPM)

- The new payment classification system for Traditional Medicare Part A SNF stays which will replace the current RUG-IV system on 10-1-19.
- Improves the overall accuracy and appropriateness of SNF payments by classifying patients into payment groups based on specific, data-driven patient characteristics.
- Supposed to reduce administrative burden on SNF providers.

## PDPM Minimum Data Set (MDS) Assessments

PPS assessments will be:

- 5-day PPS;
- Interim Payment Assessment (IPA);
- PPS Discharge.

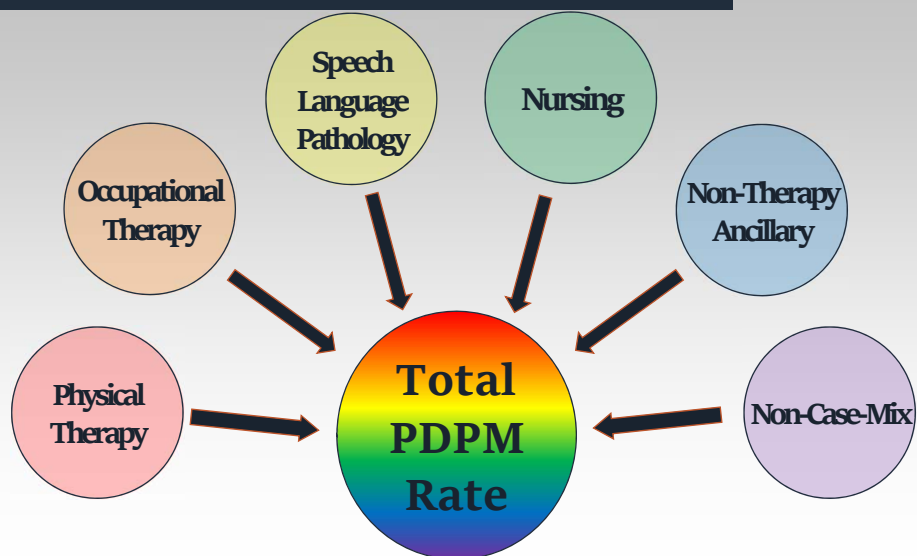
Assessments that will no longer be utilized for Med A under the PDPM system include:

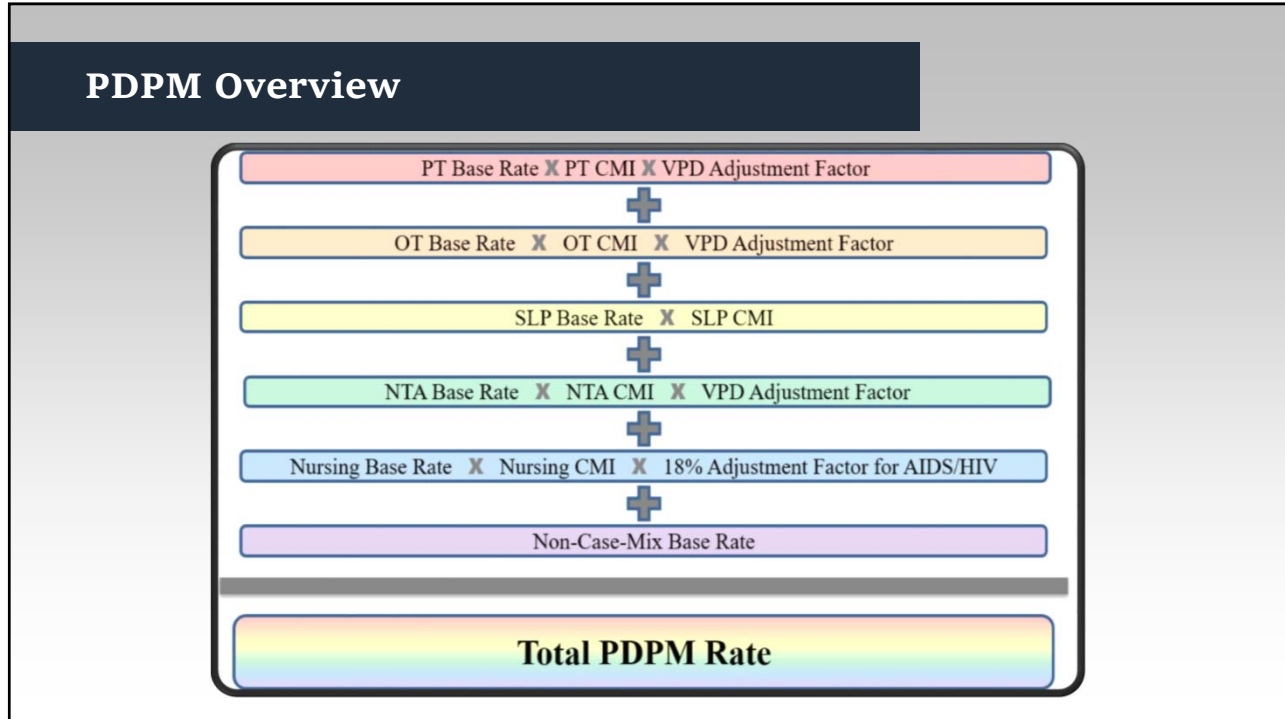
- 14-day;
- 30-day;
- 60-day;
- 90-day;
- Start of Therapy (SOT);
- Endo of Therapy (EOT);
- EOT-R;
- Change of Therapy (COT); and
- Short Stay.

## What Is NOT Changing

- OBRA timeframes and requirements.
- Technical and clinical eligibility requirements for the SNF Part A Medicare Benefit.
- Physician Certification and Re-certifications requirements.
- Beneficiary Notices.
- What Chapter 8 of the Medicare Benefit Policy Manual states must be documented for a SNF Medicare Part A Stay.

## PDPM





## Physical & Occupational Therapy Components

$PT \text{ Base Rate} \times PT \text{ CMI} \times VPD \text{ Adjustment Factor}$

$OT \text{ Base Rate} \times OT \text{ CMI} \times VPD \text{ Adjustment Factor}$

Clinical Category: I0020B & J2100 - J5000  
 Functional Status: Section GG Performance Items

- I0020B: ICD-10 code for the primary medical condition that best describes the reason for the SNF Med A stay.
- J2100 - J5000: Recent Surgeries Requiring SNF Care

## Speech Language Pathology Component

SLP Base Rate  $\times$  SLP CMI

Clinical Category: I0020B & J2100 – J5000

SLP-related comorbidities: Sections I and O (see next slide)

Presence of cognitive impairment:

- C0500 or
- B0100, B0700, C0700, C1000, GG performance items

Use of a mechanically-altered diet: K0510C

Presence of a swallowing disorder: K0100A-D

**Table 14: SLP-Related Comorbidities**

MDS Item	Description
I4300	Aphasia
I4500	CVA, TIA, or Stroke
I4900	Hemiplegia or Hemiparesis
I5500	Traumatic Brain Injury
I8000	Laryngeal Cancer
I8000	Apraxia
I8000	Dysphagia
I8000	ALS
I8000	Oral Cancers
I8000	Speech and Language Deficits
O0100E2	Tracheostomy Care While a Resident
O0100F2	Ventilator or Respirator While a Resident

## Nursing Component

Nursing Base Rate X Nursing CMI X 18% Adjustment Factor for AIDS/HIV

### Functional Status: Section GG Performance Items

Items from Sections B, C, D, E, H, I, J, K, M, N, O

- Same items we used from these sections under the RUG-IV system and also
- See next 3 slides

Nursing Categories: Extensive Services, Special Care High, Special Care Low, Clinically Complex, Behavioral Symptoms & Cognitive Performance, and Reduced Physical Function

### Nursing Component: Payment Groups (1)

RUG-IV Nursing RUG	Extensive Services	Clinical Conditions	Depression	Restorative Nursing Services	Function Score	CMG	CMI
ES3	Tracheostomy & Ventilator				0-14	ES3	4.04
ES2	Tracheostomy or Ventilator				0-14	ES2	3.06
ES1	Infection Isolation				0-14	ES1	2.91
HE2/HD2		Serious medical conditions e.g. comatose, septicemia, respiratory therapy	Yes		0-5	HDE2	2.39
HE1/HD1		Serious medical conditions e.g. comatose, septicemia, respiratory therapy	No		0-5	HDE1	1.99
HC2/HB2		Serious medical conditions e.g. comatose, septicemia, respiratory therapy	Yes		6-14	HBC2	2.23
HC1/HB1		Serious medical conditions e.g. comatose, septicemia, respiratory therapy	No		6-14	HBC1	1.85

30



### Nursing Component: Payment Groups (2)

RUG-IV Nursing RUG	Extensive Services	Clinical Conditions	Depression	Restorative Nursing Services	Function Score	CMG	CMI
LE2/LD2		Serious medical conditions e.g. radiation therapy or dialysis	Yes		0-5	LDE2	2.07
LE1/LD1		Serious medical conditions e.g. radiation therapy or dialysis	No		0-5	LDE1	1.72
LC2/LB2		Serious medical conditions e.g. radiation therapy or dialysis	Yes		6-14	LBC2	1.71
LC1/LB1		Serious medical conditions e.g. radiation therapy or dialysis	No		6-14	LBC1	1.43
CE2/CD2		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	Yes		0-5	CDE2	1.86
CE1/CD1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	No		0-5	CDE1	1.62
CC2/CB2		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	Yes		6-14	CBC2	1.54
CA2		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	Yes		15-16	CA2	1.08

31



### Nursing Component: Payment Groups (3)

RUG-IV Nursing RUG	Extensive Services	Clinical Conditions	Depression	Restorative Nursing Services	Function Score	CMG	CMI
CC1/CB1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	No		6-14	CBC1	1.34
CA1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns	No		15-16	CA1	0.94
BB2/BA2		Behavioral or cognitive symptoms		2 or more	11-16	BAB2	1.04
BB1/BA1		Behavioral or cognitive symptoms		0-1	11-16	BAB1	0.99
PE2/PD2		Assistance with daily living and general supervision		2 or more	0-5	PDE2	1.57
PE1/PD1		Assistance with daily living and general supervision		0-1	0-5	PDE1	1.47
PC2/PB2		Assistance with daily living and general supervision		2 or more	6-14	PBC2	1.21
PA2		Assistance with daily living and general supervision		2 or more	15-16	PA2	0.7
PC1/PB1		Assistance with daily living and general supervision		0-1	6-14	PBC1	1.13
PA1		Assistance with daily living and general supervision		0-1	15-16	PA1	0.66

32



## Non-Therapy Ancillary Component

NTA Base Rate **X** NTA CMI **X** VPD Adjustment Factor

### NTA Comorbidity Score

- See the next 5 slides

### NTA Component: Condition Listing (1)

Condition/Extensive Service	Source	Points
HIV/AIDS	SNF Claim	8
Parenteral Intravenous (IV) Feeding: Level High	MDS Item K0510A2, K0710A2	7
Special Treatments/Programs: Intravenous Medication Post-admit Code	MDS Item O0100H2	5
Special Treatments/Programs: Ventilator or Respirator Post-admit Code	MDS Item O0100F2	4
Parenteral IV feeding: Level Low	MDS Item K0510A2, K0710A2, K0710B2	3
Lung Transplant Status	MDS Item I8000	3
Special Treatments/Programs: Transfusion Post-admit Code	MDS Item O0100I2	2
Major Organ Transplant Status, Except Lung	MDS Item I8000	2
Multiple Sclerosis Code	MDS Item I5200	2
Opportunistic Infections	MDS Item I8000	2
Asthma Chronic obstructive pulmonary disease (COPD) Chronic Lung Disease Code	MDS Item I6200	2
Bone/Joint/Muscle Infections/Necrosis - Except Aseptic Necrosis of Bone	MDS Item I8000	2
Chronic Myeloid Leukemia	MDS Item I8000	2
Wound Infection Code	MDS Item I2500	2
Diabetes Mellitus (DM) Code	MDS Item I2900	2

35





### NTA Component: Condition Listing (2)

Condition/Extensive Service	Source	Points
Endocarditis	MDS Item I8000	1
Immune Disorders	MDS Item I8000	1
End-Stage Liver Disease	MDS Item I8000	1
Other Foot Skin Problems: Diabetic Foot Ulcer Code	MDS Item M1040B	1
Narcolepsy and Cataplexy	MDS Item I8000	1
Cystic Fibrosis	MDS Item I8000	1
Special Treatments/Programs: Tracheostomy Care Post-admit Code	MDS Item O0100E2	1
Multi-Drug Resistant Organism (MDRO) Code	MDS Item I1700	1
Special Treatments/Programs: Isolation Post-admit Code	MDS Item O0100M2	1
Specified Hereditary Metabolic/Immune Disorders	MDS Item I8000	1
Morbid Obesity	MDS Item I8000	1
Special Treatments/Programs: Radiation Post-admit Code	MDS Item O0100B2	1
Highest Stage of Unhealed Pressure Ulcer - Stage 4	MDS Item M0300D1	1
Psoriatic Arthropathy and Systemic Sclerosis	MDS Item I8000	1
Chronic Pancreatitis	MDS Item I8000	1
Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	MDS Item I8000	1

36



### NTA Component: Condition Listing (3)

Condition/Extensive Service	Source	Points
Other Foot Skin Problems: Foot Infection Code, Other Open Lesion on Foot Code, Except Diabetic Foot Ulcer Code	MDS Item M1040A, M1040B, M1040C	1
Complications of Specified Implanted Device or Graft	MDS Item I8000	1
Bladder and Bowel Appliances: Intermittent Catheterization	MDS Item H0100D	1
Inflammatory Bowel Disease	MDS Item I1300	1
Aseptic Necrosis of Bone	MDS Item I8000	1
Special Treatments/Programs: Suctioning Post-admit Code	MDS Item O0100D2	1
Cardio-Respiratory Failure and Shock	MDS Item I8000	1
Myelodysplastic Syndromes and Myelofibrosis	MDS Item I8000	1
Systemic Lupus Erythematosus, Other Connective Tissue Disorders, and Inflammatory Spondylopathies	MDS Item I8000	1
Diabetic Retinopathy - Except Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	MDS Item I8000	1
Nutritional Approaches While a Resident: Feeding Tube	MDS Item K0510B2	1
Severe Skin Burn or Condition	MDS Item I8000	1
Intractable Epilepsy	MDS Item I8000	1
Malnutrition Code	MDS Item I5600	1

37



### NTA Component: Condition Listing (4)

Condition/Extensive Service	Source	Points
Disorders of Immunity - Except : RxCC97: Immune Disorders	MDS Item I8000	1
Cirrhosis of Liver	MDS Item I8000	1
Bladder and Bowel Appliances: Ostomy	MDS Item H0100C	1
Respiratory Arrest	MDS Item I8000	1
Pulmonary Fibrosis and Other Chronic Lung Disorders	MDS Item I8000	1

38



### NTA Component: Payment Groups

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

39



## Variable Per Diem Adjustment

- RUG IV uses a constant per diem rate.
- Constant per diem rates do not accurately track changes in resource utilization throughout the stay and may allocate too few resources for providers at the beginning of the stay.
- Under PDPM an adjustment factor is applied (for certain components) and changes the per diem rate over the course of the stay.
- For the PT, OT, and NTA components, the case-mix adjusted per diem rate is multiplied against the variable per diem adjustment factor, following a schedule of adjustments for each day of the resident’s stay.

## Variable Per Diem

Variable Per-diem Adjustment Factors and Schedule – PT and OT Components

Medicare Payment Days	Adjustment Factor	Medicare Payment Days	Adjustment Factor
1-20	1.00	63-69	0.86
21-27	0.98	70-76	0.84
28-34	0.96	77-83	0.82
35-41	0.94	84-90	0.80
42-48	0.92	91-97	0.78
49-55	0.90	98-100	0.76
56-62	0.88		

Variable Per-diem Adjustment Factors and Schedule – NTA Component

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

## Interrupted Stay

Is a Medicare Part A SNF stay in which a resident is discharged from the Part A stay and subsequently resumes the Part A stay in the same SNF during the **interruption window**. Applies to:

- Residents who either leave the SNF, then return to the same SNF within the interruption window;
- Residents who are discharged from Part A-covered services and remain in the SNF, but then resume a Part A-covered stay within the **interruption window**.

## Interruption Window

- The 3-day period, starting with the calendar day of Part A discharge and including the 2 immediately following calendar days.
- The interruption window begins with the first non-covered day following a Part A-covered stay and ends at 11:59 p.m. on the third non-covered day following a Part A-covered SNF stay.
- If a resident in a Medicare Part A SNF stay is discharged from Part A, the resident must resume Part A services in the same SNF by 11:59 p.m. of the end of the third calendar day after their Part A-covered stay ended for an interrupted stay to occur.
- If the Med A stay resumes during the interruption window then it is considered a continuation of the previous Med A stay for purposes of the variable per diem schedule and PPS assessment schedule.

## Interrupted Stay

If there is an interrupted stay:

- PPS Discharge **not** required.
- OBRA DC may be required.
- Entry Tracking Record may be required.
- New 5-day is **not** completed. MDS schedule continues from the point just prior to discharge.
- Variable per diem schedule is **not** reset, it continues from point just prior to discharge.

## Interrupted Stay? Example 1

Resident admitted to SNF on 11/07/19. Discharged from SNF and admitted to hospital on 11/20/19. Returns to same SNF on 11/25/19.

- Is this an interrupted stay?
- OBRA Discharge required?
- PPS Discharge required?
- Entry Tracking Record required?
- New 5-day required?
- What day of Med A stay is 11/25/19?

## Interrupted Stay? Example 2

Resident admitted to SNF on 11/07/19. Discharged from SNF and admitted to hospital on 11/20/19. Then admitted to a different SNF on 11/22/19.

- Is this an interrupted stay?
- OBRA Discharge required?
- PPS Discharge required?
- Entry Tracking Record required?
- New 5-day required?
- What day of Med A stay is 11/22/19?

## Interrupted Stay? Example 3

Resident admitted to SNF on 11/07/19. Discharges from SNF and admits to hospital on 11/20/19. Returns to same SNF on 11/22/19.

- Is this an interrupted stay?
- OBRA Discharge required?
- PPS Discharge required?
- Entry Tracking Record required?
- New 5-day required?
- What day of Med A stay is 11/22/19?

## Interrupted Stay? Example 4

Resident admitted to SNF on 11/07/19. The resident remains in the facility but the last covered day of his/her Med A stay is 11/20/19. The resident returns to a Part A covered stay on 11/22/19.

- Is this an interrupted stay?
- OBRA Discharge required?
- PPS Discharge required?
- Entry Tracking Record required?
- New 5-day required?
- What day of Med A stay is 11/22/19?

## Interim Payment Assessment (IPA)

- Unscheduled PPS assessment.
- May not precede the 5-day.
- “When deemed appropriate by the provider, this assessment may be completed to capture changes in the resident’s status and condition.”
- **Optional** (except for the “Transitional” IPA, see next slide).
- Assessment Reference Date (ARD) is determined by the provider.
- Can not be combined with any other MDS.
- IPA changes payment beginning on the ARD and continues until the end of the Med Part A stay or until another IPA is completed.
- Does not affect the variable per diem schedule.

## **“Transitional” IPA**

- As part of the changeover from RUG-IV to PDPM, all current SNF patients who were admitted prior to 10-1-19 are to receive an IPA under the PDPM, even though they may have been assessed already under the previous RUG-IV model.
- To receive a PDPM HIPPS code that can be used for billing beginning 10-1-19 all providers will be required to complete an IPA with an ARD no later than 10-7-19 for all SNF Part A residents.
- 10-1-19 will be considered Day 1 of the VPD schedule under PDPM, even if the patient began their stay prior to 10-1-19.
- Any “transitional IPAs” with an ARD after 10-7-19 will be considered late and the late assessment penalty would apply.
- The HIPPS code derived from the transitional IPA should be used to bill for dates of service beginning 10-1-19.

## **Prospective Payment System (PPS) Discharge**

- 00425: Part A Therapies. For ST, OT, and PT you will have to record the individual minutes, concurrent minutes, group minutes, co-treatment minutes and days of therapy which occurred since the start date of the resident’s most recent Medicare Part A stay (A2400B).
- 00430: Distinct Calendar Days of Part A Therapy which occurred since the start date of the resident’s most recent Medicare Part A stay (A2400B).
- There is a 25% combined limit on group and concurrent therapy per discipline (PT, OT, SLP), per patient, per Medicare Part A SNF stay.



## I0020B - Primary Medical Condition for the Med A Stay

- This ICD-I0020B: ICD-10-CM code for the primary medical condition that best describes the reason for the SNF Med A stay.
- 10 code must map to one of ten PDPM clinical categories.
- The PDPM clinical categories represent groups of similar diagnosis codes, which are used as part of the resident's classification under the PT, OT, and SLP components.
- The ICD-10 to clinical category mapping that will be used under PDPM is available at [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html).

## PDPM Clinical Categories

- Major Joint Replacement or Spinal Surgery
- Non-Surgical Orthopedic/Musculoskeletal
- Orthopedic Surgery (Except Major Joint Replacement of Spinal Surgery)
- Acute Infections
- Medical Management
- Cancer
- Pulmonary
- Cardiovascular and Coagulations
- Acute Neurologic
- Non-Orthopedic Surgery

## Section I - Active Diagnoses (other than I0020)

- ICD-10 codes are used to capture additional diagnoses and comorbidities that the resident has.
- Certain diagnoses factor into:
  - The SLP comorbidities;
  - The NTA comorbidity score;
  - The Nursing classification group.

## ICD-10 Codes - HIV/AIDS

- Patients with AIDS receive a special 18% add-on to the nursing component of the payment.
- They are also assigned the highest point value (8 points) of any condition or service for purposes of classification under the PDPM's NTA component.
- As under the previous RUG-IV model, the presence of an AIDS diagnosis continues to be identified through the SNF's entry of ICD-10-CM code B20 on the claim.

## References

CMS MDS 3.0 RAI Manual Webpage

- [www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/MDS30RAIManual.html](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/MDS30RAIManual.html)

CMS PDPM Webpage

- [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html)

CMS SNF QRP Training Webpage

- [www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Skilled-Nursing-Facility-Quality-Reporting-Program/SNF-Quality-Reporting-Program-Training.html](http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/Skilled-Nursing-Facility-Quality-Reporting-Program/SNF-Quality-Reporting-Program-Training.html)

## Long-Term Care Regulation Weekly Listserv

Subscribe to the Section for Long-Term Care Regulation Weekly Listserv

<https://cntysvr1.lphamo.org/subscribeltc.html>

- How SLCR communicates information with providers.
- Includes changes/updates/educational opportunities.

## Quality Improvement Program for Missouri (QIPMO)

- Free Resources
  - Administrator Support Groups
  - MDS Coordinator Support Groups
    - Monthly Webinars
    - MDS Tools

[www.nursinghomehelp.org](http://www.nursinghomehelp.org)

573-882-0241

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## Acronyms In This Presentation

**AIDS:** Acquired Immune Deficiency Syndrome  
**ARD:** Assessment Reference Date  
**BIMS:** Brief Interview for Mental Status  
**CMI:** Case-Mix Index  
**COT:** Change of Therapy  
**EOT:** End of Therapy  
**HIPPS:** Health Insurance Prospective Payment System  
**HIV:** Human Immunodeficiency Virus  
**ICD-10-CM:** International Classification of Diseases, Tenth Revision, Clinical Modification  
**IPA:** Interim Payment Assessment  
**LOA:** Leave of Absence  
**MDS:** Minimum Data Set

## Acronyms In This Presentation

**NTA:** Non-therapy Ancillary  
**OBRA:** Omnibus Budget Reconciliation Act of 1987  
**OSA:** Optional State Assessment  
**OT:** Occupational Therapy  
**PDPM:** Patient Driven Payment Model  
**PPS:** Prospective Payment System  
**PT:** Physical Therapy  
**RUG-IV:** Resource Utilization Group, Version IV  
**SLP:** Speech Language Pathology  
**SNF:** Skilled Nursing Facility  
**SOT:** Start of Therapy  
**VPD:** Variable Per Diem