

What to Expect from PDPM

PDPM or the Patient-Driven Payment Model will be replacing RUG-IV on October 1, 2019. The changes are significant and represent a major shift in the way that SNF residents are categorized and how reimbursement is calculated. Here we outline a few of the key changes when transitioning from RUG-IV to PDPM.

Article Highlights

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▶ New Assessment Schedule

Gone are the 5, 14, 30, 60 and 90-day assessment requirements. Also gone are the unscheduled assessment requirements for start, end and change of therapy situations. The new schedule requires only a 5-day Assessment and a PPS Discharge Assessment. An optional new assessment type, the IPA or Interim Payment Assessment, is to be completed in the case of a clinical change in condition. If the need to complete an IPA does not arise during the course of the resident's stay, then the 5-day Assessment alone is used to determine reimbursement for the entirety of the SNF stay.

▶ New and Retired Assessment Types

Here's a look at MDS item set changes under PDPM:

MDS Item Set	Description	Status as of 10/01/2019
NC	Nursing Home Comprehensive	Continuing
NQ	Nursing Home Quarterly	Continuing
ND	Nursing Home Discharge	Continuing
NT/ST	Nursing Home and Swing Bed Tracking	Continuing
NPE	Nursing Home Part A PPS Discharge	Continuing
NP	Nursing Home PPS	Continuing
OSA	Optional State Assessment	New
IPA	Interim Payment Assessment	New
SP	Swing Bed PPS	Continuing
SD	Swing Bed Discharge	Continuing
NO/SO	Nursing Home and Swing Bed OMRA	Retired
NOD	Nursing Home OMRA-Discharge	Retired
NS/SS	Nursing Home and Swing Bed OMRA-Start of Therapy	Retired
NSD	Nursing Home OMRA-Start of Therapy and Discharge	Retired
SOD	Swing Bed OMRA-Discharge	Retired
SSD	Swing Bed OMRA-Start of Therapy and Discharge	Retired

In addition to the new IPA assessment, CMS is introducing the OSA or Optional State Assessment. This is available for use by states that require additional assessments for Medicaid payment needs.

▶ RUG-IV Scoring vs. PDPM Scoring

Under RUG-IV, the MDS is used to determine a resident's single case-mix group or RUG-IV score from a set of 66 possible groups.

Under PDPM, the MDS is used to determine five separate case-mix groups for a resident derived from five distinct components: PT, OT, SLP, Nursing and NTA. Each of these five components has its own Case-Mix Index (CMI), and all five case-mix adjusted components plus a sixth non-case-mix facility rate are used to determine payment.

▶ The Importance of ICD-10 Coding

Under RUG-IV, ICD-10 diagnosis codes are included on the MDS but have no impact on the determination of a resident's RUG-IV score. With PDPM, ICD-10 coding has a direct impact on four of the five case-mix adjusted components.

MDS Item	PDPM Components Impacted
I0020B – Primary Medical Condition ICD-10 Code	PT, OT, SLP
I8000 – Additional Active Diagnoses	SLP, NTA

- ▶ The ICD-10 code entered in I0020B represents the resident's primary medical condition which is the reason for the SNF stay. Only a subset of ICD-10 codes can be entered here. When PDPM groups are assigned, the ICD-10 code in I0020B is used to determine the default primary diagnosis clinical category for the PT, OT and SLP calculations. PT and OT are then further refined by surgery, if applicable, and by the resident's function score. SLP is further refined by surgery, if applicable, and then by comorbidities (in part using ICD-10 coding from I8000), cognitive impairment, presence of a swallowing disorder and mechanically altered diet.
- ▶ Certain ICD-10 codes entered in I8000 result in the assignment of comorbidities for the SLP component and for the NTA component. There are other MDS items in addition to I8000 that can be used to determine SLP and NTA comorbidities.

▶ Therapy Changes

RUG-IV scores for residents are heavily influenced by the volume of therapy provided. Total days of therapy, total minutes provided, and types of therapy directly impact RUG-IV classification. PDPM, by contrast, does not factor in specific therapy amounts for scoring purposes. Instead, therapy costs are predicted for residents based on clinical characteristics.

Under RUG-IV, a 25% limit on group therapy is imposed per therapy discipline. With PDPM, even though therapy minutes do not impact scoring, CMS has imposed a 25% limit on concurrent and group therapy. The PPS Discharge Assessment will capture total therapy minutes for each discipline broken down by individual, concurrent and group categories. If the 25% limit has been exceeded, a warning message will appear on the assessment validation report. While there is no penalty for exceeding the 25% limit on combined concurrent and group therapy, CMS will be monitoring for facilities that exceed this limit and may determine the need for additional administrative or policy actions in the future.

▷ Functional Scoring – A Change in Approach

RUG-IV uses MDS Section G items to determine a resident's ADL score. PDPM shifts the focus to Section GG of the MDS. The components of PT and OT both use the same functional score from Section GG data as part of the calculation used to assign a resident to a specific case-mix group. The component of Nursing also uses a functional score but excludes the Section GG walking items that are part of the PT and OT functional scoring methodology.

▷ Cognitive Scoring – A Change in Scale

With RUG-IV a resident's cognitive function is scored using the Brief Interview for Mental Status (BIMS) or if the BIMS cannot be completed then the Staff Assessment for Mental Status is used, which yields a Cognitive Performance Scale (CPS) score. Because the two scoring methods differ, comparison of cognitive function across a facility's resident population is not possible.

PDPM continues to include both BIMS score and CPS score determination, but now further categorizes these classifications using the Cognitive Function Scale or CFS. The cognitive level determined by the CFS methodology allows for accurate comparison of cognitive function for residents assessed using the BIMS or the CPS.

PDPM Cognitive Level	BIMS Score	CPS Score
Cognitively Intact	13-15	0
Mildly Impaired	8-12	1-2
Moderately Impaired	0-7	3-4
Severely Impaired	-	5-6

Example: Under PDPM, a resident with a CPS score of 2 is considered to be at the same cognitive level as a resident with a BIMS score of 10.

▷ HIV/AIDS Residents

AIDS-related costs under PDPM are accounted for by increasing payment rates for two of the five case-mix adjusted components:

- ▶ The Nursing component of the payment is increased by 18%
- ▶ The NTA component includes an additional 8 points for HIV/AIDS residents which boosts the NTA score and thus the NTA case-mix group.

HIV/AIDS diagnosis is determined by the presence of ICD-10 code B20 on the SNF claim. The MDS is not used. NTA score adjustments and the resulting Nursing and NTA payment increases are made during claims processing.

▶ Per Diem Adjustments

Three of the five PDPM components employ a per diem adjustment schedule which will impact payment. PT and OT use the same schedule and adjustment factors, while the NTA component has its own per diem schedule.

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

NTA Schedule	
Medicare Payment Days	Per Diem Adjustment Factor
1-3	3.0
4-100	1.0

These adjustment factors are applied to the component's case-mix adjusted rate in order to determine the per diem rate for the PT, OT and NTA components.

▶ Additional Resources

- ▶ CMS's dedicated PDPM website: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html>
 - ▶ CMS has provided Fact Sheets, FAQs, a PDPM Presentation, and PDPM classification logic.
- ▶ CMS's MDS Technical Information site: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/NursingHomeQualityInits/NHQIMDS30TechnicalInformation.html>
 - ▶ The Downloads section contains DRAFT versions of the new MDS 3.0 item sets, data specifications and CAT specifications.
- ▶ PDPM questions on implementation and policy can be sent to: PDPM@cms.hhs.gov