Arnett Carbis Toothman llp
CPAs & Advisors

Patient-Driven Payment Model (PDPM) – Ready, Set, Go – Last Minute Crash Course

Presented by:

Edward A. Klik, Jr.
Kristopher S. Pattison

ACT with confidence

September 25, 2019

Agenda

- Patient-Driven Payment Model (PDPM)
  - PDPM Overview
  - PDPM Policy Changes
  - Physical Therapy/Occupational Therapy (PT/OT) Component
  - Speech Language Pathology (SLP) Component
  - Non-Therapy Ancillaries (NTA) Component
  - Nursing Component
  - Questions

Patient-Driven Payment Model (PDPM) Overview

- **History of Resource Utilization Groups (RUGs)**
  - Established by the Balanced Budget Act of 1997
  - Effective July 1, 1998
  - Eliminated Skilled Nursing Facility (SNF) Cost-Based Reimbursement
  - RUG-IV
    - Currently 66 RUG Categories
    - Based on Minimum Data Set (MDS)
    - Four Categories of the Rate: Therapy Case Mix, Therapy Non-Case Mix, Nursing, and Non-Case-Mix
    - Several Assessments Required (and optional) throughout a Part A Stay
    - Multiple Assessments Result in Multiple Rate Changes

Patient-Driven Payment Model (PDPM) Overview

So, Why Would the CMS Change This Now?

- "From 2006 to 2008, SNFs increasingly billed for higher paying RUGs, even though beneficiary characteristics remained largely unchanged." – OIG
- "The Congress should . . . direct the Secretary to revise the prospective payment system (PPS) for skilled nursing facilities" and ". . . make any additional adjustments to payments needed to more closely align payment with costs." – MEDPAC
- "The two most notable trends discussed in that memo were that the percentage of residents classifying into the Ultra-High therapy category has increased steadily and, of greater concern, that the percentage of residents receiving just enough therapy to surpass the Ultra-High and Very-High therapy thresholds has also increased." – CMS
- "…is a strong indication of service provision predicated on financial considerations rather than resident need." – CMS
- "To better ensure that resident care decisions appropriately reflect each resident's actual care needs, we believe it is important to remove, to the extent possible, service-based metrics from the SNF PPS and derive payment from verifiable resident characteristics." – CMS

Above are excerpts from the FYE 2019 SNF Proposed Rule.

Patient-Driven Payment Model (PDPM) Overview

- What is PDPM?
  - New case mix classification for Medicare Part A covered stays covered under the SNF Prospective Payment System (PPS)
  - Effective October 1, 2019, PDPM will replace the current case mix classification system, the Resource Utilization Group, Version IV (RUG-IV)

Patient-Driven Payment Model (PDPM) Overview

Why is CMS changing from RUG-IV to PDPM?

- Under RUG-IV:
  - Mostly therapy payment groups
  - Incentivizes SNFs to furnish therapy regardless of the patient's unique characteristics, goals, or needs

- PDPM:
  - Eliminates this incentive
  - "Improves the overall accuracy and appropriateness of SNF payments"
  - Classifying patients into payment groups based on specific, data-driven patient characteristics
  - "Reduces administrative burden on SNFs"

Patient-Driven Payment Model (PDPM) Overview

- **10** Clinical Categories

TABLE 14: PDPM Clinical Categories

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

Patient-Driven Payment Model (PDPM) Overview

10 Categories

- **4** PT & OT Clinical Categories

PDPM Clinical Categories	PT & OT Clinical Categories
Major Joint Replacement or Spinal Surgery	1. Major Joint Replacement or Spinal Surgery
Non-Surgical Orthopedic/Musculoskeletal	2. Other Orthopedic
Orthopedic - Surgical Extremities Not Major Joint	
Non-Orthopedic Surgery	3. Non-Orthopedic Surgery **&** Acute Neurologic
Acute Neurologic	
Medical Management	4. Medical Management
Cancer	
Pulmonary / Chronic Lung Disorders	
Cardiovascular and Coagulations	
Acute Infections	

Patient-Driven Payment Model (PDPM) Overview

10 Categories

- **2** SLP Clinical Categories

PDPM Clinical Categories	SLP Clinical Categories
Acute Neurologic	**1.** Acute Neurologic
Non-Surgical Orthopedic/Musculoskeletal	**2.** NON-Neurologic
Orthopedic - Surgical Extremities Not Major Joint	
Non-Orthopedic Surgery	
Major Joint Replacement or Spinal Surgery	
Medical Management	
Cancer	
Pulmonary / Chronic Lung Disorders	
Cardiovascular and Coagulations	
Acute Infections	

Patient-Driven Payment Model (PDPM) Overview

- How are SNF patients classified into payment groups under PDPM?
  - PDPM utilizes 6 payment components
    - 5 are case-mix adjusted to cover utilization of SNF resources that vary according to patient characteristics
    - 1 non-case-mix component to address utilization of SNF resources that do not vary by patient
  - Different patient characteristics are used to determine a patient's classification into a Case Mix Group (CMG) within each of the case mix adjusted payment components

Patient-Driven Payment Model (PDPM) Overview

- PT and OT Component
  - Federal Base Rate Component

TABLE 12: FY 2019 PDPM Unadjusted Federal Rate Per Diem—Urban[1]

Rate Component	Nursing	NTA	PT	OT	SLP	Non-Case-Mix
Per Diem Amount	$103.46	$78.05	$59.33	$55.23	$22.15	$92.63

TABLE 13: FY 2019 PDPM Unadjusted Federal Rate Per Diem--Rural

Rate Component	Nursing	NTA	PT	OT	SLP	Non-Case-Mix
Per Diem Amount	$98.83	$74.56	$67.63	$62.11	$27.90	$94.34

As with Medicare rate settings for other provider types, there is a labor and a non-labor portion and the labor portion is adjusted based on wage index.

Patient-Driven Payment Model (PDPM) Overview

- How is the rate calculated under PDPM?
  - The payment for each component is calculated by
    - Case Mix Index (CMI) of the Case Mix Groups (CMG) multiplied by the base rate for that component,
    - This product is multiplied by the Variable Per Diem (VPD) adjustment that corresponds with that day
    - **CMG CMI** x **Rate for Component** x **VPD** = **Rate**
  - After case-mix adjustment, the 5 adjusted rates are summed with the non-case-mix component to generate the final rate under PDPM

Patient-Driven Payment Model (PDPM) Overview

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

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

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

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

Patient-Driven Payment Model (PDPM) Overview

TABLE 32: Current PPS Assessment Schedule

Scheduled PPS assessments			
Medicare MDS assessment schedule type	**Assessment reference date**	**Assessment reference date grace days**	**Applicable standard Medicare payment days**
5-day	Days 1-5	6-8	1 through 14
14-day	Days 13-14	15-18	15 through 30
30-day	Days 27-29	30-33	31 through 60
60-day	Days 57-59	60-63	61 through 90
90-day	Days 87-89	90-93	91 through 100
Unscheduled PPS assessments			
Start of Therapy OMRA	5-7 days after the start of therapy		Date of the first day of therapy through the end of the standard payment period.
End of Therapy OMRA	1-3 days after all therapy has ended		First non-therapy day through the end of the standard payment period.
Change of Therapy OMRA	Day 7 (last day) of the COT observation period		The first day of the COT observation period until end of standard payment period, or until interrupted by the next COT-OMRA assessment or scheduled or unscheduled PPS Assessment.
Significant Change in Status Assessment	No later than 14 days after significant change identified		ARD of Assessment through the end of the standard payment period.

TABLE 33: PPS Assessment Schedule under PDPM

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

Patient-Driven Payment Model (PDPM) Overview

ICD-10 Coding

REFRESH

Patient-Driven Payment Model (PDPM) Overview

- Implementation Date of 10/1/2019
- The CMS released a web page (week of 11/19/2018) and FAQs last revised on 8/27/2019, revision posted on 8/30/19
- https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html
  - Overview
  - Fact Sheets
  - FAQs
  - PDPM Training Presentation
  - PDPM Resources

Patient-Driven Payment Model (PDPM) Policy Changes

- **Changing Policies**
  - Variable Per-Diem (VPD) Adjustments
  - Interrupted Stay Policy
  - Administrative Presumption of Care
  - MDS PPS Assessment Schedule
  - October 1, 2019, Transition
  - Therapy Delivery
  - Health Insurance Prospective Payment System (HIPPS) Codes

Patient-Driven Payment Model (PDPM) Policy Changes

- **Variable Per-Diem (VPD) Adjustments**
  - Regulation requires “per-diem” model
  - VPD Adjustment to account for different trends in Resource Utilization over a SNF stay
    - Replaces need for additionally required assessments
  - Only PT, OT, and NTA are adjusted
  - If default rate is used, the VPD still applies

Patient-Driven Payment Model (PDPM) Policy Changes

- PT/OT VPD Adjustment

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

Patient-Driven Payment Model (PDPM) Policy Changes

- NTA VPD Adjustment

Medicare Payment Days	Adjustment Factor
1 – 3	3.0
4 – 100	1.00

Patient-Driven Payment Model (PDPM) Policy Changes

- **What is an Interrupted Stay?**
  - Continuation of the same Medicare Stay
    - The Patient Returns to the Same SNF
      - By midnight of the 3rd Day
      - Out **< 3 midnights**

  - **NOT** an interrupted stay when:
    - Readmitted to the same SNF after 3 days
      - Out **> 3 midnights**

OR

    - Admitted to a different SNF

Patient-Driven Payment Model (PDPM) Policy Changes

- Interrupted Stay Policy
  - **Interrupted (Continuation)**
    - NO additional MDS assessment required
      - No Medicare Discharge (NPE)
        - OBRA requirements do not change
      - No new 5-day
      - No change in the Variable rate
      - No IPA
    - **NOT Interrupted (New stay)**
      - NPE required
      - New 5-day required
      - Variable rate resets from day 1

Patient-Driven Payment Model (PDPM) Policy Changes

- Interrupted Stay Policy

  - Should clinicians conduct initial evaluations for therapy upon readmission of a patient in an interrupted stay under the Interrupted Stay Policy?

  - …providers are **not required to complete an evaluation** for the purposes of PPS payment...

  - If patient care needs have changed significantly, clinicians **may** complete an Interim Patient Assessment (IPA) at their discretion.

Patient-Driven Payment Model (PDPM) Policy Changes

- Interrupted Stay Policy - **FAQs**:
  - Will the CMS require SNFs to indicate on the claim form when a patient has been readmitted and/or when an evaluation was complete after the patient was readmitted?
  - The CMS **does not anticipate** that providers will be required to report on the claim form when a patient is readmitted.
    - Providers report when an interrupted stay occurred on the claim in the same way as a Leave of Absence.

Patient-Driven Payment Model (PDPM) Policy Changes

- Interrupted Stay Policy - **FAQs**:

- Is it required that the SNF primary diagnosis match the qualifying hospital stay?

- **No**
  - The primary diagnosis for the SNF stay may differ from the primary diagnosis reported for the hospital stay that serves as the qualifying hospital stay necessary for SNF coverage.

Patient-Driven Payment Model (PDPM) Policy Changes

- Administrative Presumption
  - Old (RUGs) – Clinically Complex or Above
  - New (PDPM)
    - Nursing Groups
      - Extensive Services
      - Special High Care
      - Special Low Care
      - Clinically Complex
    - Therapy Groups
      - PT/OT CMG CMI **> 1.30**
      - SLP CMG CMI **> 2.04**
    - NTA Score
      - 12 and higher

Patient-Driven Payment Model (PDPM) Policy Changes

- **MDS Policy Changes**
  - Three PPS assessments
    - 5-day
      - May be combined with Omnibus Budget Reconciliation Act (OBRA)
    - IPA
      - **Cannot** be combined with **ANY** other assessment
        - Including OBRA
    - Medicare discharge (NPE)
    - OSA
      - For States that use RUG-III or RUG-IV for Medicaid
      - No planned end date

Patient-Driven Payment Model (PDPM) Policy Changes

- **Therapy Policy Changes**
  - Group therapy **redefined** for Part A:
    - **Treatment of 2-6 residents,**
    - Regardless of payor source,
    - Who are performing the same or similar activities,
    - Supervised by a therapist or an assistant who is not supervising any other individuals.

Patient-Driven Payment Model (PDPM) Policy Changes

- **Therapy Policy Changes**
  - 25% limit on group and concurrent therapy
    - Per discipline
    - Over the entire Medicare stay
    - Lookback starts on day 1
      - If over threshold:
        - **WARNING** on validation report
        - **No current penalties** - *under consideration for future*
  - No End of Therapy/Change of Therapy (EOT/COT) requirements
  - Therapy days & minutes all reported at end of stay (NPE)
    - The CMS will monitor
    - Review or CMS global policy changes may result depending on delivery changes / provider behavior

Patient-Driven Payment Model (PDPM) Policy Changes

- **Therapy Policy Changes**
  - Therapy Reporting
    - All treatment since the beginning of the stay will be reported in **MDS Section O** of the Medicare discharge (NPE) at the end of the stay

Section O	Special Treatments, Procedures, and Programs

O0425. Part A Therapies

Complete only if A0310H = 1

A. Speech-Language Pathology and Audiology Services

Enter Number of Minutes ☐☐☐☐

1. **Individual minutes -** record the total number of minutes this therapy was administered to the resident **individually** since the start date of the resident's most recent Medicare Part A stay (A2400B)

Enter Number of Minutes ☐☐☐☐

2. **Concurrent minutes -** record the total number of minutes this therapy was administered to the resident **concurrently with one other resident** since the start date of the resident's most recent Medicare Part A stay (A2400B)

Enter Number of Minutes ☐☐☐☐

3. **Group minutes -** record the total number of minutes this therapy was administered to the resident as **part of a group of residents** since the start date of the resident's most recent Medicare Part A stay (A2400B)

If the sum of individual, concurrent, and group minutes is zero, → skip to O0425B, Occupational Therapy

Enter Number of Minutes ☐☐☐☐

4. **Co-treatment minutes -** record the total number of minutes this therapy was administered to the resident in **co-treatment sessions** since the start date of the resident's most recent Medicare Part A stay (A2400B)

Enter Number of Days ☐☐☐

5. **Days** - record the **number of days** this therapy was administered for **at least 15 minutes** a day since the start date of the resident's most recent Medicare Part A stay (A2400B)

Patient-Driven Payment Model (PDPM) Policy Changes

- **Therapy Policy Changes**
  - Therapy Reporting
    - In the case of an interrupted stay, SNFs should report therapies furnished since the beginning of the Part A stay
      - Includes all parts of an interrupted stay in Section O of the MDS for each discharge assessment
      - Example:
        - Stay 1/3 -1/5 (2 treatment days, 120 min)
        - LOA 1/5 - 1/6
        - Stay 1/7 - 1/15 (8 treatment days, 480 min)
        - NPE 1/16

Patient-Driven Payment Model (PDPM) Policy Changes

- **Therapy Policy Changes**
  - Therapy Reporting
    - Example from prior slide; **NPE ARD 1/16**

Section O	Special Treatments, Procedures, and Programs

O0425. Part A Therapies

Complete only if A0310H = 1

A. Speech-Language Pathology and Audiology Services

Enter Number of Minutes: 6 0 0

Enter Number of Minutes:

Enter Number of Minutes:

Enter Number of Minutes:

Enter Number of Days: 1 0

1. **Individual minutes -** record the total number of minutes this therapy was administered to the resident **individually** since the start date of the resident's most recent Medicare Part A stay (A2400B)
2. **Concurrent minutes -** record the total number of minutes this therapy was administered to the resident **concurrently with one other resident** since the start date of the resident's most recent Medicare Part A stay (A2400B)
3. **Group minutes -** record the total number of minutes this therapy was administered to the resident as **part of a group of residents** since the start date of the resident's most recent Medicare Part A stay (A2400B)

If the sum of individual, concurrent, and group minutes is zero, → skip to O0425B, Occupational Therapy

4. **Co-treatment minutes -** record the total number of minutes this therapy was administered to the resident in **co-treatment sessions** since the start date of the resident's most recent Medicare Part A stay (A2400B)
5. **Days** - record the **number of days** this therapy was administered for **at least 15 minutes** a day since the start date of the resident's most recent Medicare Part A stay (A2400B)

Patient-Driven Payment Model (PDPM) Policy Changes

- **Transition to PDPM on 10/1/2019**
  - **Current** SNF patients (admitted prior to October 1, 2019)
    - **REQUIRED: Interim Payment Assessment (IPA)**
      - RUG-IV will pay through September 30, 2019
      - IPA pays October 1, 2019, and forward
    - **Assessment Reference Date (ARD) for IPA can be no later than October 7, 2019**
      - VPD Adjustment schedule
        - **October 1, 2019 = Day 1 VPD**
          - Even when the stay begins prior to October 1, 2019

Patient-Driven Payment Model (PDPM) Policy Changes

- **Transition to PDPM on 10/1/2019**
  - **Late September 2019 SNF Admissions and Continuing Medicare A SNF Stays**
    - MDS with an ARD no later than September 30, 2019
      - RUG (RUG-IV) needed to bill for September days
    - Cannot use a “short stay” for residents admitted on the last few days of September 2019
      - Specific criteria for Short-stay
        - *ARD must be the last day of the Medicare stay*
    - PDPM is optional for Medicare Advantage
      - Many of these will still require RUG-IV PPS
      - 5-day can be used during applicable windows, but not submitted

Patient-Driven Payment Model (PDPM) Policy Changes

- **Transition to PDPM on 10/1/2019**
  - Billing
    - Providers will continue to bill for using Health Insurance Prospective Payment System (**HIPPS**) codes under PDPM
    - Codes generated by the MDS with ARDs on or after October 1, 2019
    - HIPPS code under PDPM remains a five character code
  - Providers still report the patient HIPPS code in the same way on the UB-04

Patient-Driven Payment Model (PDPM) Policy Changes

- **Transition to PDPM on 10/1/2019**
  - HIPPS codes
    - 1st character
      - PT/OT component classification
    - 2nd character
      - SLP component classification
    - 3rd character
      - Nursing component classification
    - 4th character
      - NTA component classification
    - 5th character
      - Assessment Indicator (AI) code

Patient-Driven Payment Model (PDPM)

- Rate Components:
  - **PT**
  - **OT**
  - **SLP**
  - **NTA**
  - Nursing
  - Non-Case-Mix Component

Patient-Driven Payment Model (PDPM) PT/OT Component

- Classification derived from **MDS coding**
  - Section I
  - Section J
  - Section GG
- **10 Clinical Categories**

TABLE 14: PDPM Clinical Categories

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

Patient-Driven Payment Model (PDPM) PT/OT Component

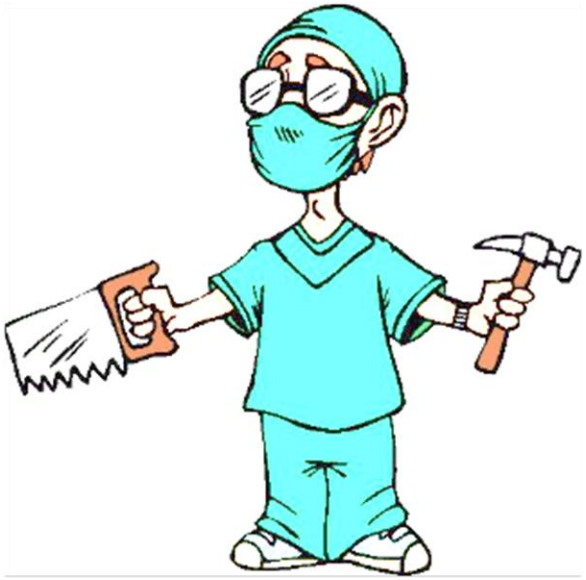
10 Categories?? Reality Check…

- **4** Clinical Categories

PDPM Clinical Categories	PT & OT Clinical Categories
Major Joint Replacement or Spinal Surgery	**1.** Major Joint Replacement or Spinal Surgery
Non-Surgical Orthopedic/Musculoskeletal	**2.** Other Orthopedic
Orthopedic - Surgical Extremities Not Major Joint	
Non-Orthopedic Surgery	**3.** Non-Orthopedic Surgery **&** Acute Neurologic
Acute Neurologic	
Medical Management	**4.** Medical Management
Cancer	
Pulmonary / Chronic Lung Disorders	
Cardiovascular and Coagulations	
Acute Infections	

Patient-Driven Payment Model (PDPM) PT/OT Component Hierarchy

- ICD-10 Code = Clinical Category?
  - Not necessarily…
    - **Surgery first!!**



  - Determined by Item J2100

Patient-Driven Payment Model (PDPM) PT/OT Component Hierarchy

- J2100:
  - Recent Surgery **Requiring Active SNF Care**
    - Complete only if A0310B = 01 or 08
  - **Did the surgery require active SNF Care?**
    - *Maybe, maybe not…*
    - **No**?
      - Code *"no"* for Item J2100, and the default Clinical Category will be associated with the ICD-10 code in I020B will be used
    - **Yes**?
      - Code yes and move on to **J2300-J5000**

Patient-Driven Payment Model (PDPM) PT/OT Component Hierarchy

*No Surgery **Requiring** Active SNF Care?*

- Contingent on ICD-10-CM Code in **I0020B**
- Classified into non-surgical category
  - Other Orthopedic
  - Acute Neurologic
  - Medical Management

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

- PT/OT Categories
- Subdivided by Functional Scores
  - 6 GG Areas
    - **(1) Eating** (GG0130A)
    - **(2) Oral Hygiene** (GG0130B)
    - **(3) Toileting Hygiene** (GG0130C)
    - **(4) Bed Mobility items (average of 2):**
      - Sit to Lying (GG0170B)
      - Lying to Sitting on Side of Bed (GG0170C)
    - **(5) Transfer items (average of 3):**
      - Sit to Stand (GG0170D)
      - Chair/Bed-to-Chair Transfer (GG0170E)
      - Toilet Transfer (GG0170F)
    - **(6) Walking (average of 2):**
      - Walk 50 Feet with Two Turns (GG0170J)
      - Walk 150 Feet (GG0170K)

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

Point Scale:

Response	Description	Score
05, 06	Set-up assistance, Independent	4
04	Supervision or touching assistance	3
03	Partial/moderate assistance	2
02	Substantial/maximal assistance	1
01, 07, 09, 10 88, missing	Dependent, Refused, N/A, Not attempted due to environmental limitations, Not Attempted	0

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

OT - Clinical Categories Hierarchy

OCCUPATIONAL THERAPY			
Clinical Category (**4 Categories**)	Function Score	PT Case Mix Group	CMI
Major Joint Replacement or Spinal Surgery	0-5	TA	1.49
Major Joint Replacement or Spinal Surgery	6-9	TB	1.63
Major Joint Replacement or Spinal Surgery	10-23	TC	1.69
Major Joint Replacement or Spinal Surgery	24	TD	1.53
Other Orthopedic	0-5	TE	1.41
Other Orthopedic	6-9	TF	1.60
Other Orthopedic	10-23	TG	1.64
Other Orthopedic	24	TH	1.15
Non-Orthopedic Surgery and Acute Neurologic	0-5	TM	1.18
Non-Orthopedic Surgery and Acute Neurologic	6-9	TN	1.45
Non-Orthopedic Surgery and Acute Neurologic	10-23	TO	1.54
Non-Orthopedic Surgery and Acute Neurologic	24	TP	1.11
Medical Management	0-5	TI	1.30
Medical Management	6-9	TJ	1.50
Medical Management	10-23	TK	1.55
Medical Management	24	TL	1.09

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

- RAI GG Coding
  - **USUAL PERFORMANCE**
    - Functional status can be impacted by the environment
      - Observing interactions with others **in different locations and circumstances** is important for a comprehensive understanding of functional status.
    - If the resident's functional status varies, record the resident's usual ability to perform each activity.
    - Do **not** record the resident's best performance and
    - Do **not** record the resident's worst performance
    - **DO** Record the resident's usual performance.

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

Example:

- **Toilet Hygiene (GG0130C):**
  - *"Ability to maintain perineal hygiene, adjust clothing before and after voiding or having a bowel movement. If managing an ostomy, include wiping the opening but not managing the equipment."*
    - **Includes managing undergarments, clothing, incontinence products, and performing perineal cleansing**
    - If catheter but has bowel movements, code based on assistance with bowel movements
  - Example:
    - Mrs. M: Mrs. M (fall with fractured right wrist and hip, lacks coordination using left hand)
      - Mrs. M needs supervision getting onto the toilet
      - She adequately cleanses self after voiding or having a BM with her left hand
      - Staff helps her stand and adjusts clothes while she holds onto the rail to stabilize herself

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

- RAI GG Coding
  - Example:
    - **Coding – Toilet Hygiene (GG0130C)**
      - 02, Substantial/maximal assistance??

      OR

      - 03, Partial/moderate assistance??
    - **Rationale:**
      - Does the Certified Nursing Assistant (CAN) provide **MORE or LESS** than ½ the effort for the resident to complete the activity?

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

- GG Scoring — Points
  - Eating — 1
  - Oral hygiene — 2
  - **Toilet hygiene — 1 or 2**

Bed Mobility

Sit to lie	2	*Average:*
Lie to sit	2	2

Transfer

Sit to stand	4	*Average:*
Bed / Chair	2	3.33
Toilet transfer	4	

Walking

Walking 50	0	*Average:*
Walking 150	0	0
	?	* 9 or 10 ?

Response	Description	Score
05, 06	Set-up assistance, Independent	4
04	Supervision or touching assistance	3
03	Partial/moderate assistance	2
02	Substantial/maximal assistance	1
01, 07, 09, 10 88, missing	Dependent, Refused, N/A, Not attempted due to environmental limitations, Not Attempted	0

* **Steps for calculation:**

1. Average scores for Bed mobility, Transfer, and Walking.
2. Sum all scores (including decimals).
3. Once totaled, mathematical rounding is used.

Low Total = 9.33, score of 9
High Total = 10.33, score of 10

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

TABLE 12: FY 2019 PDPM Unadjusted Federal Rate Per Diem—Urban[1]

Rate Component	Nursing	NTA	PT	OT	SLP	Non-Case-Mix
Per Diem Amount	$103.46	$78.05	$59.33	$55.23	$22.15	$92.63

$485.95 (TF)

-479.63 (TG)

+ $6.32

Patient-Driven Payment Model (PDPM) PT/OT Functional Score

- Optimizing the Functional Score
  - Team approach for assessment
    - Review **all the input** and calculate scores
  - When coding can go in either direction, use the coding that positively impacts the rate.
  - Document the decided coding in the medical record.

ICD-10 Coding for PDPM

Coding

REFRESH

ICD-10 Coding for PDPM

Quick question:

Do you think that this lack of specificity will result in the code being Return to Provider?

…Let's see…

ICD-10 Coding for PDPM

- ICD-10 Coding Accuracy
  - Coding Precision and Specificity
    - Z47.1 Aftercare following joint replacement
      - Yes? No?
    - M75.121 Complete rotator cuff tear or rupture of right shoulder, not specified as traumatic
      - Yes? No?
    - G46.8 Other vascular syndromes of brain in cerebrovascular diseases
      - Yes? No?

ICD-10 Coding for PDPM

- ICD-10 Coding
  - Coding Precision and Specificity
    - Z47.1 Aftercare following joint replacement
      - ***Major Joint Replacement or Spinal Surgery*** 😉
    - M75.121 Complete rotator cuff tear or rupture of right shoulder, not specified as traumatic
      - ***Return to Provider*** 😟
    - G46.8 Other vascular syndromes of brain in cerebrovascular diseases
      - ***Acute Neurologic*** 😉

ICD-10 Coding for PDPM

- Steps to Successful Coding for PDPM
  1. **Review** and i**dentify** diagnoses in the record and locate potential diagnoses on CMS crosswalk: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html
  2. **Determine** main reason for admission to the SNF (Example: Rehab, Medical?)
  3. **Laterality**
  4. **Clarify** diagnoses that best represent the resident conditions with the physician.
  5. Code on the MDS

Patient-Driven Payment Model (PDPM)

- Rate Components:
  - PT ☑
  - OT ☑
  - **SLP**
  - Non-Therapy Ancillaries (NTA)
  - Nursing
  - Non-Case-Mix Component

Patient-Driven Payment Model (PDPM) SLP Component

10 Categories?? 4?? *Uh no, definitely not…*

- **TWO** Clinical Categories

PDPM Clinical Categories	SLP Clinical Categories
Acute Neurologic	**1.** Acute Neurologic
Non-Surgical Orthopedic/Musculoskeletal	**2.** NON-Neurologic
Orthopedic - Surgical Extremities Not Major Joint	
Non-Orthopedic Surgery	
Major Joint Replacement or Spinal Surgery	
Medical Management	
Cancer	
Pulmonary / Chronic Lung Disorders	
Cardiovascular and Coagulations	
Acute Infections	

Patient-Driven Payment Model (PDPM) SLP Component

Category Placement Based on:

- Primary Diagnosis Clinical Category
- Presence of SLP Comorbidities
- Cognitive Performance / BIMS
- Symptoms of Swallowing Problems
- Presence of Mechanically Altered Diet

Patient-Driven Payment Model (PDPM) SLP Component

- Primary Diagnosis
  - MDS Item: I0020B (new Oct. 2019)
- Surgery or Not?
  - MDS Section J Coding (new Oct. 2019)
    - J2100 (Recent Surgery Requiring Active SNF Care)
- **Final Clinical Category Placement**
  - Acute Neurologic

    OR
  - Non-Neurologic

Patient-Driven Payment Model (PDPM) SLP Component

- Presence of SLP 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

Patient-Driven Payment Model (PDPM) SLP Component

- Cognitive Performance
  - Brief Interview for Mental Status (BIMS)
    - Resident interview responses on the MDS

Table 1: Calculation of PDPM Level from BIMS

PDPM Cognitive Level	BIMS Score
Cognitively Intact	13-15
Mildly Impaired	8-12
Moderately Impaired	0-7
Severely Impaired	-

    - BIMS score 12 and lower = **Impaired for PDPM**

Patient-Driven Payment Model (PDPM) SLP Component

- Cognitive Performance (cont.)
  - Cognitive Performance Scale (CPS)
    - Staff interview
    - Impaired when:
      - Comatose (B0100 = 1) and completely dependent or activity did not occur (01, 09, 88) for GG functional performance
      - Severe impairment count of one or more
        - Decision Making Severely Impaired (C1000 = 3)
        - Makes Self Understood (B0700 = 2 or 3)
      - Basic impairment count of one or more
        - Decision Making (C1000 = 1 or 2)
        - Makes Self Understood (B0700 = 1, 2, or 3)
        - Memory Problem (C0700 = 1)
    - Varying levels of "impairment," but **any impairment** generates the trigger for SLP Cognitive impairment under PDPM.

Patient-Driven Payment Model (PDPM) SLP Component

- Cognitive Performance (cont.)
  - **In order to receive a PDPM classification**:
    - The BIMS or CPS must be completed
  - **UPDATE**
    - If neither BIMS or CPS is completed:
      - The resident is considered “cognitively intact” for the SLP component classification

Patient-Driven Payment Model (PDPM) SLP Component

- Swallowing Disorders (Symptoms)
  - **Any checkbox K0100A – K0100D**
    - K0100A,
      - Loss of liquids/solids from mouth when eating or drinking.
    - K0100B,
      - Holding food in mouth/cheeks or residual food in mouth after meals.
    - K0100C,
      - Coughing or choking during meals or when swallowing medications.
    - K0100D,
      - Complaints of difficulty or pain with swallowing.

CMS RAI CH 3: MDS Items [K], Page K-2, 3

- Code even if the symptom **occurred only once** in the 7-day look-back period

Patient-Driven Payment Model (PDPM) SLP Component

- K510C2 **Mechanically Altered Diet** (while a resident)
  - A diet specifically prepared to alter the texture or consistency of food to facilitate oral intake. Examples include **soft** solids, **puréed** foods, **ground** meat, and **thickened** liquids.
  - A mechanically altered diet should not automatically be considered a therapeutic diet.
- Code if used in the last 7 days

Patient-Driven Payment Model (PDPM) SLP Component

- SLP Component Impact

SLP Component			
Presence of Acute Neurologic Condition, SLP-Related Comorbidity, or Cognitive Impairment	Mechanically Altered Diet or Swallowing Disorder	SLP Case Mix Group	CMI
None	Neither	SA	0.68
None	Either	SB	1.82
None	Both	SC	**2.67**
Any one	Neither	SD	1.46
Any one	Either	SE	2.34
Any one	Both	SF	**2.98**
Any two	Neither	SG	2.04
Any two	Either	SH	2.86
Any two	Both	SI	**3.53**
All three	Neither	SJ	2.99
All three	Either	SK	3.70
All three	Both	SL	**4.21**

Patient-Driven Payment Model (PDPM) SLP Component

- So what does this all mean??
  - Everyone is THREE POINTS AWAY from cognitive impairment!!
  - We ALL cough sometimes when eating
  - “Soft diet” alternates
  - Clothing protector checks

Patient-Driven Payment Model (PDPM)

- Rate Components:
  - PT ☑
  - OT ☑
  - SLP ☑
  - **Non-Therapy Ancillaries (NTA)**
  - Nursing
  - Non-Case-Mix Component

Patient-Driven Payment Model (PDPM) NTA Component

- What is NTA?
  - **RESIDENT SPECIFIC**
    - Diagnoses
    - Conditions
    - Treatments
    - Services
  - **50 COMORBIDITIES**
    - NTA Rate Variable Per-Diem Adjustment
      - Rate component tripled for the first three days
      - Aligns payment with the timing of costs incurred

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Highest Points

Condition/Extensive Service	MDS Item	Points
HIV/AIDS	N/A (**SNF claim**)	8
Parenteral IV Feeding - *Level High*	K0510A2, K0710A2	7
Intravenous Medication - *Post-admit Code*	O0100H2	5
Ventilator or Respirator - *Post-admit Code*	O0100F2	4
Parenteral IV feeding - *Level Low*	K0510A2, K0710A2, K0710B2	3
Lung Transplant Status	*I8000*	3

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Mid Points

Condition/Extensive Service	MDS Item	Points
Transfusion - *Post-admit Code*	O0100I2	2
Major Organ Transplant Status - *Except Lung*	I8000	2
Multiple Sclerosis	I5200	2
Opportunistic Infections	I8000	2
Asthma, COPD, Chronic Lung Disease Code	I6200	2
Bone/Joint/Muscle Infections/Necrosis *Except: Aseptic Necrosis of Bone*	I8000	2
Chronic Myeloid Leukemia	I8000	2
Wound Infection Code	I2500	2
Diabetes Mellitus (DM) Code	I2900	2

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Lower Points

Condition/Extensive Service	MDS Item	Points
Endocarditis	I8000	1
Immune Disorders	I8000	1
End-Stage Liver Disease	I8000	1
Diabetic Foot Ulcer Code	M1040B	1
Narcolepsy and Cataplexy	I8000	1
Cystic Fibrosis	I8000	1
Tracheostomy Care - *Post-admit Code*	O0100E2	1
Multi-Drug Resistant Organism (MDRO) Code	I1700	1
Isolation - *Post-admit Code*	O0100M2	1
Specified Hereditary Metabolic/Immune Disorders	I8000	1

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Lower Points

Condition/Extensive Service	MDS Item	Points
Morbid Obesity	I8000	1
Radiation - *Post-admit Code*	O0100B2	1
Stage 4 Unhealed Pressure Ulcer	M0300D1	1
Psoriatic Arthropathy and Systemic Sclerosis	I8000	1
Chronic Pancreatitis	I8000	1
Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	I8000	1
Foot Infection Code, **Other Open Lesion on Foot** Code, *Except DM Ulcer*	M1040A, M1040C	1
Complications of Specified Implanted Device or Graft	I8000	1
Intermittent catheterization	H0100D	1
Inflammatory Bowel Disease	I8000	1

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Lower Points

Condition/Extensive Service	MDS Item	Points
Aseptic Necrosis of Bone	I8000	1
Suctioning - *Post-admit Code*	O0100D2	1
Cardio-Respiratory Failure and Shock	I8000	1
Myelodysplastic Syndromes and Myelofibrosis	I8000	1
Systemic Lupus Erythematosus, Other Connective Tissue Disorders and Inflammatory, Spondylopathies	I8000	1
Diabetic Retinopathy *Except : Proliferative DM Retinopathy and Vitreous Hemorrhage*	I8000	1
Feeding Tube - *Post-admit Code*	K0510B2	1

Patient-Driven Payment Model (PDPM) NTA Component

NTA Component – Lower Points

Condition/Extensive Service	MDS Item	Points
Severe Skin Burn or Condition	I8000	1
Intractable Epilepsy	I8000	1
Malnutrition Code	I5600	1
Disorders of Immunity - *Except: RxCC97: Immune Disorders*	I8000	1
Cirrhosis of Liver	I8000	1
Ostomy	H0100C	1
Respiratory Arrest	I8000	1
Pulmonary Fibrosis and Other Chronic Lung Disorders	I8000	1

RAI:
*"Malnutrition (protein or calorie) **OR AT RISK FOR** malnutrition"*

Patient-Driven Payment Model (PDPM) NTA Component

- NTA Component Score Calculation
  - Additional NTA-related comorbidities?
    - Review MDS for other NTA items
      - For conditions that use Section I8000
        - Check the corresponding ICD-10- CM codes using the table and CMS Mapping
        - www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html

Patient-Driven Payment Model (PDPM)

- Rate Components:
  - PT ☑
  - OT ☑
  - SLP ☑
  - Non-Therapy Ancillaries (NTA) ☑
  - Nursing
  - Non-Case-Mix Component

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Calculated using MDS
  - Hybrid of RUG-IV
    - Fewer Case Mix Groups (CMGs)
      - No Rehab or Rehab + Extensive groupers
      - Fewer Activities of Daily Living (ADL) subdivisions
  - Subdivided by Functional Score
    - Replaces G with GG for Functional Score
    - Still uses the four late-loss ADLs
      - Bed Mobility
      - Transfer
      - Eating
      - Toileting
  - Subdivided by Depression scoring
    - Special Care and Clinically Complex CMGs

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Extensive Services
    - **Functional score of 14 or lower**
      - **ES3**
        - Tracheostomy **AND** Ventilator
      - **ES2**
        - Tracheostomy **OR** Ventilator
      - **ES1**
        - Isolation for active infectious disease

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Special Care High Qualifiers
    - Comatose (B0100) **AND**
      - Total dependence (GG items)
        - Same as with cognitive impairment qualifier
        - (GG0130A1, GG0130C1, GG0170B1, GG0170C1, GG0170D1, GG0170E1, and GG0170F1, all equal 01, 09, or 88)
    - * Septicemia (I2100)
    - * Diabetes (I2900) **WITH**:
      - Insulin injections (N350A) = 7 days

        AND
      - Insulin order changes (N350B) = 2+ days

*** Check the box!!** ☑

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Special Care High Qualifiers
    - Quadriplegia (I5100) **WITH**
      - Functional score <= 11
      - *Limited to quadriplegia related to spinal cord injuries*
    - COPD (I6200) **AND**
      - Shortness of Breath (SOB) while lying (J1100C)
    - Fever (J1550A) **WITH**
      - Pneumonia (I2000), or
      - Vomiting (J1550B), or
      - Weight loss (K0300), or
        - **Intended or unintended**
      - Feeding tube (K0510B1, 2)
        - MUST meet *High or Low intensity* criteria to qualify

Check the box!! 

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Special Care High Qualifiers
    - **Parenteral** / IV feedings (K0510A1, K0510A2)
      - While a resident **or NOT** a resident
    - Respiratory Therapy (O400D2) **= 7 days**
      - * Only minutes that the respiratory therapist or respiratory nurse spends with the resident shall be recorded on the MDS

** RAI: Time that a resident self-administers a nebulizer treatment **without supervision** of the respiratory therapist or respiratory nurse **is not included.***

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Special Care Low Qualifiers
    - Cerebral palsy (I4400) **WITH**
      - Functional score <= 11
    - Multiple sclerosis (I5200) **WITH**
      - Functional score <= 11
    - Parkinson's (I5300) disease **WITH**
      - Functional score <= 11
    - *** Respiratory failure** (I6300) **AND**
      - Oxygen therapy *while a resident* (O0100C2)

CHECK THE BOX!! ☑

*** Respiratory failure** is a condition in which not enough oxygen passes from your lungs into your blood, or when your lungs cannot properly remove carbon dioxide from your blood… Diseases… include COPD…-*NIH 2018*

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Special Care Low Qualifiers
    - Feeding tube (K0510B1, 2)
      - Must meet High/Low intensity criteria
    - Radiation treatment *while a resident* (O0100B2)
    - Dialysis treatment *while a resident* (O0100J2)
    - Skin Conditions (M0300)
      - Two or more stage 2 pressure ulcers *
      - Any stage 3 or 4 pressure ulcer *
      - Two or more venous/arterial ulcers *
      - A stage 2 pressure ulcer with a venous/arterial ulcer *
      - Dressings to the feet for:
        - Foot infection,
        - diabetic foot ulcer, or
        - other open lesion of foot

* Need 2 or more skin treatments to qualify

Patient-Driven Payment Model (PDPM) Nursing Component

- Nursing Component
  - Clinically Complex Qualifiers
    - Pneumonia (I2000)
    - Hemiplegia/hemiparesis (I4900) **WITH**
      - Functional score <= 11
    - Open lesions (M1040D)
    - Surgical wounds (M1040E)
      - with surgical wound care (M1200F), dressing (M1200G), or ointments (M1200H)
    - Burns (M1040F)
    - Chemotherapy *while a resident* (O0100A2)
    - Oxygen therapy *while a resident* (O0100C2)
    - IV medications *while a resident* (O0100H2)
    - Transfusions *while a resident* (O0100IJ2)

CHECK THE BOX!! ☑

Patient-Driven Payment Model (PDPM) Nursing Component

- Resident Mood Interview

D0200. Resident Mood Interview (PHQ-9©)

Say to resident: ***"Over the last 2 weeks, have you been bothered by any of the following problems?"***

If symptom is present, enter 1 (yes) in column 1, Symptom Presence.
If yes in column 1, then ask the resident: "*About **how often** have you been bothered by this?*"
Read and show the resident a card with the symptom frequency choices. Indicate response in column 2, Symptom Frequency.

1. **Symptom Presence**
   0. **No** (enter 0 in column 2)
   1. **Yes** (enter 0-3 in column 2)
   9. **No response** (leave column 2 blank)

2. **Symptom Frequency**
   0. **Never or 1 day**
   1. **2-6 days** (several days)
   2. **7-11 days** (half or more of the days)
   3. **12-14 days** (nearly every day)

	1. Symptom Presence	2. Symptom Frequency
	↓ Enter Scores in Boxes ↓	
A. *Little interest or pleasure in doing things*	☐	☐
B. *Feeling down, depressed, or hopeless*	☐	☐
C. *Trouble falling or staying asleep, or sleeping too much*	☐	☐
D. *Feeling tired or having little energy*	☐	☐
E. *Poor appetite or overeating*	☐	☐
F. *Feeling bad about yourself - or that you are a failure or have let yourself or your family down*	☐	☐
G. *Trouble concentrating on things, such as reading the newspaper or watching television*	☐	☐
H. *Moving or speaking so slowly that other people could have noticed. Or the opposite - being so fidgety or restless that you have been moving around a lot more than usual*	☐	☐
I. *Thoughts that you would be better off dead, or of hurting yourself in some way*	☐	☐

Patient-Driven Payment Model (PDPM) Nursing Component

RAI CH 3: MDS Items [D], Page D-13

Steps for Assessment:

- Interview staff **from all shifts** who know the resident best.
- Encourage staff to report symptom frequency, **even if the staff believes the symptom to be unrelated to depression.**
- **Explore unclear responses**, focusing the discussion on the specific symptom listed on the assessment rather than expanding into a lengthy clinical evaluation.

Patient-Driven Payment Model (PDPM) Nursing Component

RAI CH 3: MDS Items [D], Page D-13

Examples of Staff Responses That Indicate Need for Follow-up Questioning with the Staff Member:

- **D0500A, Little Interest or Pleasure in Doing Things**
  - The resident doesn't really do much here.
  - The resident spends most of the time in his or her room.
- **D0500B, Feeling or Appearing Down, Depressed, or Hopeless**
  - She's 95—what can you expect?
  - How would you feel if you were here?
- **D0500C, Trouble Falling or Staying Asleep, or Sleeping Too Much**
  - Her back hurts when she lies down.
  - He urinates a lot during the night.
- **D0500D, Feeling Tired or Having Little Energy**
  - She's 95—she's always saying she's tired.
  - He's having a bad spell with his COPD right now.

Patient-Driven Payment Model (PDPM)

- Quick Take-Aways:
  - PT/OT Component:
    - Review the CMS Crosswalk for diagnoses categories
      - Short list to *replace M62.81 - muscle weakness, R26.2 - difficulty walking,* etc. on evals and treatment plans
        - M62.59 - Muscle atrophy and wasting, multiple sites 😉
        - R27.8 - Other lack of coordination 😉
    - Section GG determination
      - Team approach!
      - Magic Number 10!
  - SLP Component:
    - Everyone **is 3 points away** from perfect (or less)!
    - Swallowing problems?
    - Mechanically altered diet?

Patient-Driven Payment Model (PDPM)

- Quick Take-Aways:
  - NTA Component
    - Request list for admissions / readmissions
      - Get **all** applicable records
      - Critical Thinking
        - Review diagnoses and make sure your information is complete
      - IV Medications at admission?
    - Nursing Component
      - PHQ-9 / PHQ-9-OV Impact
      - Check the box!

QUESTIONS?

Kristopher S. Pattison, RN, RAC-CT
Senior Manager – Clinical Consulting Services
voice: 412.635.6270 or 800.452.3003
e-mail: kristopher.pattison@actcpas.com

Edward A. Klik, Jr.
Partner – Health Care Services
voice: 724.658.1565 or 800.452.3003
e-mail: ed.klik@actcpas.com