

2019 CALTCM Summit for Excellence



Regulatory Update: PDPM

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Disclosure Statement

- Dr. Kerry Weiner, MD has no relevant financial relationships with commercial interests to disclose.
- Additional slides contributed by Aaron Hagopian, MBA; *Patient-Driven Payment Model: How Physicians Can Add Greater Value Under the New SNF Reimbursement System*



Learning Objectives

- Identify strategies for developing a practice to meet current and future payment structure demands.
- Discuss the impact of healthcare reform initiatives on PALTC practitioners - exclusion from APMs.
- Explain the basic structure of the Patient-Derived Payment Model.



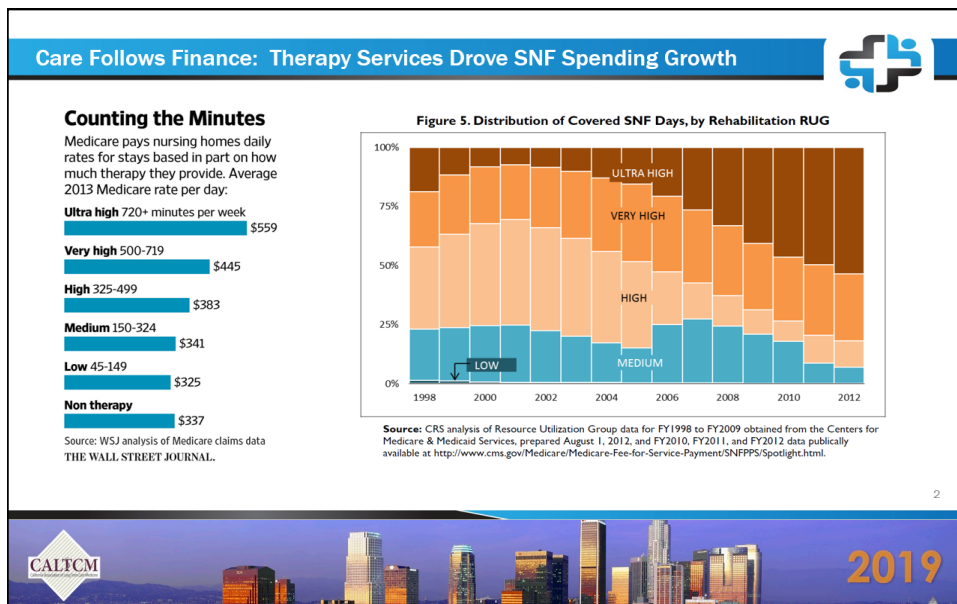
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**Patient-Driven Payment Model (PDPM)
A Revolution in PALTC**



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Game Changing Differences

- RUG IV
 - 80% dependent on Level/ hours of therapy
 - 10% dependent on ADLs
 - 10% dependent on geographic location
 - Total MDS items: 20
- PDPM:
 - Driven by primary clinical diagnosis + co-morbidities based on ICD-10 codes
 - Modified by cognitive, functional status assessments
 - Modified by LOS
 - Total MDS items: 161



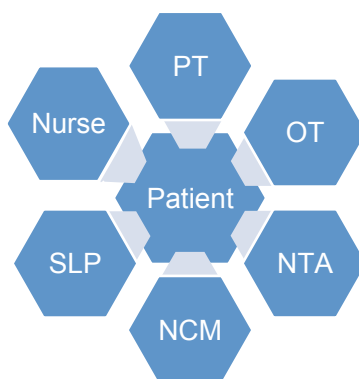
Drivers of Patient Outcomes?

- Chicken and egg?
- Minutes of therapy?
- Nursing needs?
- Actuary's dream?
- SNF's nightmare?



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PDPM Care Compensation Factors



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Clinician's Impact in PDPM

- Payment linked to patient condition(s) on admission
- New category, NTA (non-therapy ancillary), depends on patient co-morbidities and therapy
- Modify payment of 3 categories during stay if acuity changes
 - Reimbursement decreases over time unless there are documented changes in condition.



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PDPM Payment

Nursing	Nursing Base Rate	x	Nursing CMI	x	=	Total
						+
PT	PT Base Rate	x	PT CMI	x	PT adjustment factor	= Total
						+
OT	OT Base Rate	x	OT CMI	x	OT adjustment factor	= Total
						+
SLP	SLP Base Rate	x	SLP CMI	x	=	Total
						+
NTA	NTA Base Rate	x	NTA CMI	x	NTA adjustment factor	= Total
						+
Non-case mix	Base Rate				=	Total
						⏟
						Daily rate



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Variable Per Diem Adjustment Factor

- OT, PT
 - 1-20 days = $1.0 \times \$$
 - 21-27 days = $0.98 \times \$$ and drops by .02 every week thereafter (91 days = 0.78)
- NTA
 - 1-3 days = $3.0 \times \$$
 - 4-100 days = $1.0 \times \$$
- IPA (Interim Payment Assessment) for significant change



Admission Note Documentation is Essential

- Establish primary diagnosis
- Primary admitting diagnosis may be different than inpatient diagnosis
- Important to note any surgery done during proceeding inpatient stay
- Specific codes (not general codes) justify SNF
- Completed within first 5 days



PDPM Primary Diagnosis Clinical Categories Based on Physician Documented ICD-10 Codes

Surgical Categories

- MJR or Spinal
- Other Ortho Surgical
- Non- Ortho Surgical
- Non- Surgical Ortho

Medical Categories

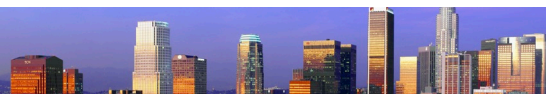
- Medical Management
- Acute Infections
- Cancer
- Pulmonary
- CV and Coagulations
- Acute Neurologic



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NTA: Non Therapy Ancillary Cost Calculation

- Primary Diagnosis
- Weighted Co-morbidities & Extensive services (50)
- First 3 days LOS impact: 3 X \$



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Non-Therapy Ancillary Conditions/Services

Condition/Extensive Service	Points
HIV/AIDS	8
Parenteral IV Feeding: Level High	7
Special Treatments/Programs: Intravenous Medication Post-admit Code	5
Special Treatments/Programs: Ventilator Post-admit Code	4
Parenteral IV feeding: Level Low	3
Lung Transplant Status	3
Special Treatments/Programs: Transfusion Post-admit Code	2
Major Organ Transplant Status, Except Lung	2
Active Diagnoses: Multiple Sclerosis Code	2
Opportunistic Infections	2
Active Diagnoses: Asthma COPD Chronic Lung Disease Code	2
Bone/Joint/Muscle Infections/Necrosis - Except: Aseptic Necrosis of Bone	2
Chronic Myeloid Leukemia	2
Wound Infection Code	2
Active Diagnoses: Diabetes Mellitus (DM) Code	2
Endocarditis	1
Immune Disorders	1
End-Stage Liver Disease	1
Other Foot Skin Problems: Diabetic Foot Ulcer Code	1
Narcolepsy and Cataplexy	1
Cystic Fibrosis	1
Special Treatments/Programs: Tracheostomy Post-admit Code	1
Active Diagnoses: Multi-Drug Resistant Organism (MDRO) Code	1
Special Treatments/Programs: Isolation Post-admit Code	1
Specified Hereditary/Metabolic/Immune Disorders	1

Non-Therapy Ancillary Conditions/Services

Condition/Extensive Service	Points
Morbid Obesity	1
Special Treatments/Programs: Radiation Post-admit Code	1
Highest Stage of Unhealed Pressure Ulcer - Stage 4	1
Psoriatic Arthropathy and Systemic Sclerosis	1
Chronic Pancreatitis	1
Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	1
Other Foot Skin Problems: Foot Infection Code, Other Open Lesion on Foot Code, Except Diabetic Foot Ulcer Code	1
Complications of Specified Implanted Device or Graft	1
Bladder and Bowel Appliances: Intermittent catheterization	1
Inflammatory Bowel Disease	1
Aseptic Necrosis of Bone	1
Special Treatments/Programs: Suctioning Post-admit Code	1
Cardio-Respiratory Failure and Shock	1
Myelodysplastic Syndromes and Myelofibrosis	1
Systemic Lupus Erythematosus, Other Connective Tissue Disorders, and Inflammatory Spondylopathies	1
Diabetic Retinopathy - Except : Proliferative Diabetic Retinopathy and Vitreous Hemorrhage	1
Nutritional Approaches While a Resident: Feeding Tube	1
Severe Skin Burn or Condition	1
Intractable Epilepsy	1
Active Diagnoses: Malnutrition Code	1
Disorders of Immunity - Except : RxCC97: Immune Disorders	1
Cirrhosis of Liver	1
Bladder and Bowel Appliances: Ostomy	1
Respiratory Arrest	1
Pulmonary Fibrosis and Other Chronic Lung Disorders	1

SLP: Clinical Category+ ...

SLP Payment Factors

- Primary Diagnosis
- Acute Neurologic Condition
- SLP Co-morbidities
- Cognitive impairment
- Swallowing disorder
- Mechanically Altered Diet

SLP Co-morbidities

- CVA, TIA
- Aphasia
- Hemiplegia/ Hemiparesis
- Traumatic Brain Injury
- ALS
- Oral Ca
- Laryngeal CA
- Apraxia
- Dysphagia
- Speech & language Deficits
- Tracheostomy care
- Ventilator



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Swallowing Dysfunction & Mechanically Altered Diet

- Swallowing dysfunction matters
- Appropriate therapy
- Dietary modifications
- Unintended consequences



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PT & OT Clinical Categories

- Based on data showing similar costs among certain clinical categories, the PT & OT components use four collapsed clinical categories for patient classification:

PDPM Clinical Categories	PT & OT Clinical Categories
Major Joint Replacement or Spinal Surgery	Major Joint Replacement or Spinal Surgery
Acute Neurologic	Non-Orthopedic Surgery & Acute Neurologic
Non-Orthopedic Surgery	
Non-Surgical Orthopedic/Musculoskeletal	Other Orthopedic
Orthopedic - Surgical Extremities Not Major Joint	
Medical Management	Medical Management
Cancer	
Pulmonary	
Cardiovascular & Coagulations	
Acute Infections	



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PT & OT Functional Score: GG Items

Section GG items included in the PT & OT Functional Score:

Section GG Item	Functional Score Range
GG0130A1 – Self-care: Eating	0 – 4
GG0130B1 – Self-care: Oral Hygiene	0 – 4
GG0130C1 – Self-care: Toileting Hygiene	0 – 4
GG0170B1 – Mobility: Sit to Lying	0 – 4
GG0170C1 – Mobility: Lying to Sitting on side of bed	(average of 2 items)
GG0170D1 – Mobility: Sit to Stand	0 – 4
GG0170E1 – Mobility: Chair/bed-to-chair transfer	(average of 3 items)
GG0170F1 – Mobility: Toilet Transfer	
GG0170J1 – Mobility: Walk 50 feet with 2 turns	0 – 4
GG0170K1 – Mobility: Walk 150 feet	(average of 2 items)



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Nursing Component

- RUG-IV classifies patients into a therapy RUG, based on how much therapy the patient receives, and a non-therapy RUG, based on certain patient characteristics:
 - Only one of these RUGs is used for payment purposes
 - Therapy RUGs are used to bill for over 90% of Part A days
- Therapy RUGs use a consistent nursing case-mix adjustment, which obscures clinically meaningful differences in nursing characteristics between patients in the same therapy RUG



PDPM Nursing Payment Modifications

- PDPM utilizes the same basic nursing classification structure as RUG-IV, with certain modifications:
 - Function score based on Section GG of the MDS 3.0
 - Collapsed functional groups, reducing the number of nursing groups from 43 to 25



Case Presentation

81 yo F with COPD admitted to Hospital for SOB and fever. HPI: 10 days at home with cold symptoms, sputum production and fever, weakness, poor appetite, SOB.
PMH: COPD, HTN, Diverticulosis, Mild Dementia

Hospital course: Found to be in respiratory distress, BP 90/60, acidotic and admitted to ICU. Placed on BICAP and treated with IV antibiotics. Improved over 7 days. DC to SNF because of generalized weakness.

Med list: includes Albuterol, Atrovent inhaler and steroid taper, Metformin, Metamucil, Rouvastatin, Benazepril, Bactrim

PE: vitals stable, Oriented x 2, wt. 240, Ht. 5'4"
Lungs: Few wheezes
Hrt: RRR
Ext: Lft ankle ulcer 3cm, tender, red, with mild exudate
Culture: MRSA recovered
Pre -Albumin 9



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Primary Diagnosis COPD: Pulmonary - Medical Management **NTA Co-morbidities: Less Obvious Opportunities**

- 1Pt. Cardio-respiratory shock
- 1Pt. Morbid Obesity
- 2 pt. Active DM
- 1 Pt. Multi-drug resistant organism
- 1 Pt. Diabetic foot ulcer
- 2 Pt. Wound infection
- 1 Pt. Malnutrition

9 Pt. Total; increased NTA CMI 0.72 to 2.53 (\$77.30/d vs. \$199.80/d) = difference of \$1715.00 for 14 day stay; about \$250.00 more than PPS



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Patient Example: 79 Year Old Man with Femur Fracture

- Patient is a 79 year old male with acute diagnosis of **femoral fracture**. He is also recovering from pneumonia. The patient has no cognitive impairment but is **depressed**. The patient needs considerable assistance with activities of daily living.



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Category & CMI Placement

- The patient's primary diagnosis of femur fracture qualifies him for placement into the Other Orthopedic category for him stay at the skilled nursing facility. The categories and resultant CMI's that the patient qualifies for are as follows for each of the case-mix adjusted components:

Component	Case-mix group (CMG)	Case-mix index (CMI)
Nursing	CBC2	1.54
PT	TG	1.67
OT	TG	1.64
ST	SD	0.68
NTA	NF	0.72



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Daily Payment for Each Component Over 30 Day Stay

Component	Case-mix group	Case-mix index	Base Rate	Per diem
Nursing	CBC2	1.54	\$103.46	\$159.33
PT	TG	1.67	\$ 59.33	\$ 99.08
OT	TG	1.64	\$ 55.23	\$ 90.58
ST	SA	0.68	\$ 22.15	\$ 15.06
NTA	NF	0.72	\$ 78.05	\$56.20
Non case-mix			\$ 92.63	\$ 92.63
PDPM Base per diem				\$512.87
PPS Per Diem – RUG				\$631.22

	# of Days	PDPM Per Diem	PDPM Total	PPS Per Diem	PPS Total
Days 1-3	3	\$ 625.27	\$1,875.80	\$631.22	\$1,893.66
Days 4-20	17	\$ 512.87	\$8,718.87	\$631.22	\$10,730.74
Days 21-27	7	\$ 510.89	\$3,576.25	\$631.22	\$4,418.54
Days 28-30	3	\$ 507.01	\$1,521.03	\$631.22	\$1,893.66
Total	30	\$ 523.06	\$15,691.95	\$631.22	\$18,936.60

Worse Isn't Better; Better Isn't Worse

- Relationship between functional status and payment is not linear
- Moderate functional decline a/w higher reimbursement
- Focus on most appropriate care!



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Impact of PDPM

- Proper ICD-10 coding is critical for payment
- Proper evaluation and MDS coding required
- Maximizing payment is ONLY the initial step!
- Delivering EFFECTIVE care will determine the ultimate results
- Focus MUST be on proper clinical approach
- The Geriatrics approach to care is NECESSARY!



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Important Concepts & Diagnosis

- | | |
|---|---|
| <ul style="list-style-type: none"> • ICD 10 coding <ul style="list-style-type: none"> – Major factor in base rate calculation – Identify primary dx – Co- morbidities in NTA; SLP • LOS: first three days <ul style="list-style-type: none"> – 5 days to document – NTA: 1-3 days 3X wt. – Other categories:+20 d taper | <p>Items not to miss:</p> <ul style="list-style-type: none"> • Major changes of condition • Acute neuro conditions • Preceding surgeries in ACH • HIV and AIDS • Diabetes and complications • COPD/asthma/ fibrosis • Infections: Ortho, resistant, opportune • Immune def/ CTD, IBD • Morbid obesity / malnutrition • Psoriatic arthritis • CML/ myloplastic disease • ESLD/ cirrhosis • Chronic pancreatitis |
|---|---|



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