

# FY19 SNF PPS PROPOSED RULE & THE PATIENT DRIVEN PAYMENT MODEL

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## RCS-1 PDPM

- ▶ Comments make a difference.
- ▶ Last year, CMS solicited comments on a proposed new payment system detailed in an *Advance Notice of Proposed Rulemaking*.
- ▶ Now, instead of moving forward with a slightly revised Resident Classification System Version 1 (RCS-1), CMS is proposing an entirely new payment model.
- ▶ Changes to RCS-1 were so significant, CMS renamed the new payment model - the Patient-Driven Payment Model (PDPM).
- ▶ If finalized, PDPM would take effect on October 1, 2019 (replacing the current Resource Utilization Group Version IV (RUG-IV) classification system).

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## Centers for Medicare & Medicaid Services (CMS)

- ▶ Using current statutory authority to revise the Proposed Payment System (PPS)
- ▶ New model is a prospective payment system (PPS)
- ▶ Budget neutral relative to RUG-IV
  - “... in proposing changes to the case-mix methodology, we do not intend to change the aggregate amount of Medicare payments to SNFs”
- ▶ Using current data - cost reports, claims, MDS, STRIVE data
- ▶ Easily implementable - uses current structure
- ▶ Why Change?
  - CMS responding to MedPAC and others that therapy minutes have too much influence over the payment rates
  - Top 10 RUGs in 2015 comprise 90% of SNF days and 92% of SNF payments<sup>1</sup>
  - Improve payment accuracy

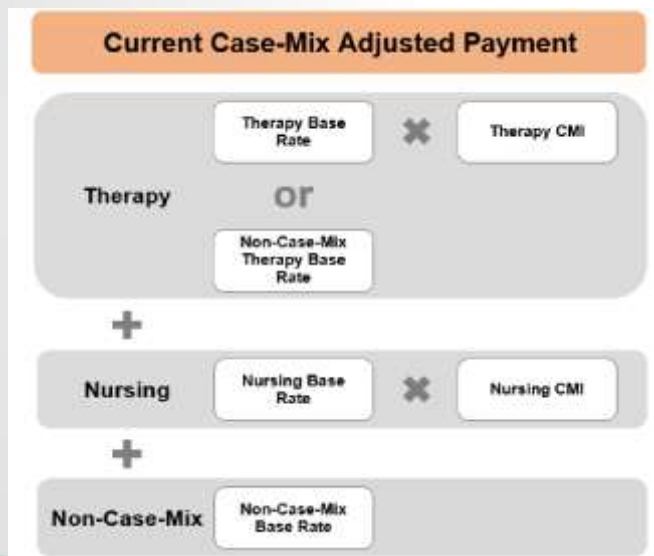
<sup>1</sup> Source: AHCA Analysis

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## FY2019 SNF PPS Proposed Rule *published May 8, 2018*

- ▶ 2.4% payment update (Market Basket Adjustment), effective October 1, 2018
  - \$850 Million
  - Congress could reduce
- ▶ Proposed revised payment methodology
  - Replaces RUGS-IV
  - Modified RCS-1 with Patient Driven Payment Model (PDPM)
  - Effective **October 1, 2019**
- ▶ Value-based Purchasing Program (VBP) finalized
- ▶ Quality Reporting Program (QRP) further clarified
- ▶ Request for Information (RFI) on Interoperability

## Current Case-Mix Adjusted Payment - RUG IV



# Proposed: Patient-Driven Payment Model (PDPM)

Figure 3: Illustration of Payment under PDPM



# Physical & Occupational Therapy Components

TABLE 21—PROPOSED PT AND OT CASE-MIX CLASSIFICATION GROUPS

Clinical category	Section GG function score	PT OT case-mix group	PT case-mix index	OT case-mix index
Major Joint Replacement or Spinal Surgery .....	0-5	TA	1.53	1.49
Major Joint Replacement or Spinal Surgery .....	6-9	TB	1.69	1.63
Major Joint Replacement or Spinal Surgery .....	10-23	TC	1.88	1.68
Major Joint Replacement or Spinal Surgery .....	24	TD	1.92	1.53
Other Orthopedic .....	0-5	TE	1.42	1.41
Other Orthopedic .....	6-9	TF	1.61	1.59
Other Orthopedic .....	10-23	TG	1.67	1.64
Other Orthopedic .....	24	TH	1.16	1.15
Medical Management .....	0-5	TI	1.13	1.17
Medical Management .....	6-9	TJ	1.42	1.44
Medical Management .....	10-23	TK	1.52	1.54
Medical Management .....	24	TL	1.09	1.11
Non-Orthopedic Surgery and Acute Neurologic .....	0-5	TM	1.27	1.30
Non-Orthopedic Surgery and Acute Neurologic .....	6-9	TN	1.48	1.49
Non-Orthopedic Surgery and Acute Neurologic .....	10-23	TO	1.55	1.55
Non-Orthopedic Surgery and Acute Neurologic .....	24	TP	1.08	1.09

## Section GG Items from the MDS

- ▶ Bed mobility (2 items)
- ▶ Transfers (3 items)
- ▶ Eating
- ▶ Toileting
- ▶ Oral Hygiene
- ▶ Walking (2 items)
- ▶ Higher points assigned to higher level of independence

## PT and OT is Variably Adjusted After Day 20

TABLE 30: Proposed 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

# Speech Language Pathology Component

TABLE 23: Proposed SLP Case-Mix Classification Groups

Presence of Acute Neurologic Condition, SLP-Related Comorbidity, or Cognitive Impairment	Mechanically Altered Diet or Swallowing Disorder	SLP Case-Mix Group	SLP Case-Mix Index
None	Neither	SA	0.68
None	Either	SB	1.82
None	Both	SC	2.66
Any one	Neither	SD	1.46
Any one	Either	SE	2.33
Any one	Both	SF	2.97
Any two	Neither	SG	2.04
Any two	Either	SH	2.85
Any two	Both	SI	3.51
All three	Neither	SJ	2.98
All three	Either	SK	3.69
All three	Both	SL	4.19

# Nursing Case-Mix Classification

TABLE 26—PROPOSED NURSING INDEXES UNDER PROPOSED PDPM CLASSIFICATION MODEL—Continued

RUG-IV nursing RUG	Extensive services	Clinical conditions	Depression	Number of medication nursing services	GG-based function score	PDPM nursing case-mix group	Nursing case-mix index
ES2	Tracheostomy or Ventilator Infection				9-14	ES2	3.08
ES1					9-14	ES1	2.91
HE2H02		Serious medical conditions e.g. comatose, septicemia, respiratory therapy.	Yes		0-5	HDE2	2.38
HE1H01		Serious medical conditions e.g. comatose, septicemia, respiratory therapy.	No		0-5	HDE1	1.96
HQ2H02		Serious medical conditions e.g. comatose, septicemia, respiratory therapy.	Yes		9-14	HBC2	2.29
HQ1H01		Serious medical conditions e.g. comatose, septicemia, respiratory therapy.	No		9-14	HBC1	1.88
LE2LD0		Serious medical conditions e.g. radiation therapy or dialysis.	Yes		0-5	LDE2	2.07
LE1LD1		Serious medical conditions e.g. radiation therapy or dialysis.	No		0-5	LDE1	1.79
LC2L02		Serious medical conditions e.g. radiation therapy or dialysis.	Yes		9-14	LBC2	1.71
LC1L01		Serious medical conditions e.g. radiation therapy or dialysis.	No		9-14	LBC1	1.43
CE2CD3		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	Yes		0-5	CDE3	1.88
CE1CD1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	No		0-5	CDE1	1.62
CG2CB2		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	Yes		9-14	CBC2	1.54
CA2		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	Yes		15-18	CAB	1.08
CE1CB1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	No		9-14	CBC1	1.34
CA1		Conditions requiring complex medical care e.g. pneumonia, surgical wounds, burns.	No		15-18	CA1	0.84
BB2BA2		Behavioral or cognitive symptoms.		2 or more	15-18	BAB2	1.04
BB1BA1		Behavioral or cognitive symptoms.		0-1	15-18	BAB1	0.99
PE2PE3		Assistance with daily living and general supervision.		2 or more	0-5	PDE3	1.53
PE1PE1		Assistance with daily living and general supervision.		0-1	0-5	PDE1	1.47
PC2PC2		Assistance with daily living and general supervision.		2 or more	9-14	PBC2	1.21
PA2		Assistance with daily living and general supervision.		2 or more	15-18	PA2	0.70
PC1PB1		Assistance with daily living and general supervision.		0-1	9-14	PBC1	1.12



# Non-Therapy Ancillary Case-Mix Component

**TABLE 27: Proposed Conditions and Extensive Services Used for NTA Classification**

Condition/Extensive Service	Source	Points
HIV/AIDS	SNF Claim	8
Parenteral IV Feeding: Level High	MDS Item K0510A2, K0710A2	7
Special Treatments/Programs: Intravenous Medication Post-admit Code	MDS Item O0100F2	5
Special Treatments/Programs: Ventilator or Respiator 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 O0100G2	2
Major Organ Transplant Status, Except Lung	MDS Item I8000	2
Active Diagnoses: Multiple Sclerosis Code	MDS Item U5200	2
Opportunistic Infections	MDS Item I8000	2
Active Diagnoses: Asthma, 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
Active Diagnoses: Diabetes Mellitus (DM) Code	MDS Item I2900	2
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
Active Diagnoses: Multi-Drug Resistant Organism (MDRO) Code	MDS Item H1700	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

# Non-Therapy Ancillary Case Mix Component

**TABLE 28: Proposed NTA Case-Mix Classification 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

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

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

## Proposed PPS Assessment Schedule

TABLE 33: Proposed 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.

## Proposed Interrupted Stay Policy

- ▶ Under current law, a resident can be readmitted to a SNF within 30 days after discharge without requiring a new, qualifying 3-day inpatient stay or beginning a new benefit period.
  - SNF admissions occurring between days 31 and 60 after a SNF discharge require a new qualifying 3-day inpatient hospital stay, but fall within the same benefit period.
- ▶ CMS proposes to implement an interrupted stay policy as part of the FY19 SNF PPS, effective October 1, 2019 (for FY2020), in conjunction with PDPM implementation.
  - Specifically, when a resident is discharged but returns to the same SNF by 12:00am on the third day of the interruption window (defined as the 3-day period starting on the day of discharge and including the following two calendar days), CMS proposes to treat the resident's stay as a continuation of the previous stay for purposes of both resident classification and the variable per diem adjustment schedule.
  - When the resident's absence from the SNF exceeds the third 3-day interruption window, or when the resident is readmitted to a different SNF, CMS proposes to treat the readmission as a new stay, which would require a new 5-day assessment upon admission and reset the variable per diem adjustment schedule for that resident to Day 1.



TABLE 35: Proposed Items to Add to SNF PPS Discharge Assessment

MDS Item Number	Item Name
O0400A5	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Therapy Start Date
O0400A6	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Therapy End Date
O0400A7	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Total Individual Minutes
O0400A8	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Total Concurrent Minutes
O0400A9	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Total Group Minutes
O0400A10	Special Treatments, Procedures and Programs: Speech-Language Pathology and Audiology Services: Total Days
O0400B5	Special Treatments, Procedures and Programs: Occupational Therapy: Therapy Start Date
O0400B6	Special Treatments, Procedures and Programs: Occupational Therapy: Therapy End Date
O0400B7	Special Treatments, Procedures and Programs: Occupational Therapy: Total Individual Minutes
O0400B8	Special Treatments, Procedures and Programs: Occupational Therapy: Total Concurrent Minutes
O0400B9	Special Treatments, Procedures and Programs: Occupational Therapy: Total Group Minutes
O0400B10	Special Treatments, Procedures and Programs: Occupational Therapy: Total Days
O0400C5	Special Treatments, Procedures and Programs: Physical Therapy: Therapy Start Date
O0400C6	Special Treatments, Procedures and Programs: Physical Therapy: Therapy End Date
O0400C7	Special Treatments, Procedures and Programs: Physical Therapy: Total Individual Minutes
O0400C8	Special Treatments, Procedures and Programs: Physical Therapy: Total Concurrent Minutes
O0400C9	Special Treatments, Procedures and Programs: Physical Therapy: Total Group Minutes
O0400C10	Special Treatments, Procedures and Programs: Physical Therapy: Total Days

## Tips for Use of the Grouper

- ▶ For the primary diagnosis do not include any decimal points.
- ▶ If no surgical procedure, choose no surgical procedure.
- ▶ In the category “Extensive Services” – if no extensive services selected choose the appropriate nursing category—it is chosen on line below—make sure you refer to RAI definitions of the categories. In example below, the parenteral feeding and COPD coordinate to special care.

Selected Assessment Questions

**Primary Diagnosis (Enter ICD-10-CM Code and Select Surgical Procedure)**

8000A Primary Diagnosis ICD-10 Code: 80031  
 Resident Had Surgical Procedure During Prior Inpatient Stay Related to SNF Care Plan: No Surgical Procedure

**Extensive Services (Check All that Apply)**

0210E2 Tracheostomy Care While a Resident   
 0210F2 Ventilator or Respirator While a Resident   
 0210B2 Infection Isolation While a Resident

**RUG-IV Function Score - Section G-Based ADL Score (Select Appropriate Performance Level for Each ADL Category)**

ADL Category	Self-Performance	Support
G010A Bed Mobility	Extensive Assistance	One Person Assist
G010B Transfer	Extensive Assistance	One Person Assist
G010E Eating	Supervision	Setup help only
G010F Toilet Use	Extensive Assistance	One Person Assist

## Tips for Use of the Grouper

- ▶ For “Cognitive Pattern” – if you have a BIMS score, enter the score, the remaining lines choose BIMS score available.

PDPM Function Score - Section GG-Based Function Score (Select Appropriate Performance Level for Each Item)		
	Category - Items	Admission Performance
Eating	GG0130A1 Eating	Supervision or touching assistance
Oral Hygiene	GG0130B1 Oral Hygiene	Supervision or touching assistance
Toileting Hygiene	GG0130C1 Toileting Hygiene	Substantial/maximal assistance
Bed Mobility	GG0170B1 Sit to Lying	Substantial/maximal assistance
	GG0170C1 Lying to Sitting on Side of Bed	Substantial/maximal assistance
Transfer	GG0170D1 Sit to Stand	Substantial/maximal assistance
	GG0170E1 Chair/Bed-to-Chair	Substantial/maximal assistance
	GG0170F1 Toilet Transfer	Substantial/maximal assistance
Walking	GG0170J1 Walk 50 Feet with Two Turns	Substantial/maximal assistance
	GG0170K1 Walk 150 Feet	Dependent
Cognitive Patterns (Select Score - If Missing BIMS then Fill in Questions to Calculate CPS Score)		
C0500 BIMS (0-15) Score		#
Staff Assessment	B0100 Comatose	BIMS score available
	C1000 Cognitive skills for daily decision making	BIMS score available
	B0700 Makes Self Understood	BIMS score available
	C0700 Short-term Memory OK	BIMS score available

## RFI on Interoperability

- ▶ RFI appears in [IPPS/ LTCH PPS](#), [IRF PPS](#) and [SNF PPS Proposed Rules](#) for FY2019
- ▶ CMS is seeking stakeholder feedback on the use of its health and safety standards - *aka* Medicare and Medicaid Conditions of Participation (CoPs), Conditions for Coverage (CfCs) and Requirements for Participation (RfPs) for Long Term Care Facilities - to advance electronic exchange of health information (e.g., CMS “might consider” revising hospitals’ CoPs to require hospitals to electronically transfer “medically necessary information to another facility upon a patient transfer or discharge.”).
- ▶ Preamble of the RFI underscores CMS’ work with the Office of the National Coordinator for Health Information Technology (ONC); references the Data Element Library and ONC’s [Interoperability Standards Advisory \(ISA\)](#). CMS also reiterates that incentivized hospitals, CAHs and professionals need to use EHR technology certified to the *2015 Edition* beginning in CY 2019.
- ▶ CMS also cites the *21<sup>st</sup> Century Cures Act* (now [Public Law 114-255](#)), especially the information blocking provisions.

## Transition Time

- ▶ Implementation is October 1, 2019 -  
CMS recognizes that stakeholders need time for information technology systems updates and staff training.
- ▶ Transition to the new model was not addressed in Proposed Rule.
- ▶ CMS responded to many of NASL's comments and concerns.
- ▶ Comments are due Tuesday, June 26, 2018.

## Questions?

- ▶ Want more PDPM? Join our NASL PDPM Workgroup & Tiger Teams
  - Login to [NASL.org](https://www.nasl.org)
  - Search on #PDPM
  - Join the NASL (IMPACT Act) [PDPM Workgroup](#)
- ▶ Contact us:
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