Disclosures

• I have no financial relationships to disclose

• I have no conflicts of interests to disclose

• I will not promote any commercial products or services
Learning Objectives

- Identify the 6 main components of the PDPM payment model
- Understand the importance of accurate diagnosis selection in Section I of the MDS
- Determine how the new payment model will impact the SNF reimbursement process
Acronyms Used

ARD – Assessment Reference Date (MDS)
IPA – Interim Payment Assessment
MDS – Minimum Data Set
NPE – End of PPS Stay (MDS)
PDPM - Patient Driven Payment Model
PPS – Prospective Payment System
QRP – Quality Reporting Program
RUGs – Resource Utilization Group(s)
SNF – Skilled Nursing Facility
PDPM Overview

- CMS revised the proposed rule from RCS-1 to PDPM in May of 2018
- Implementation Date October 1, 2019 or Fiscal Year 2020
- 6 components generate the residents’ daily reimbursed rate
- Daily rate drops 2% each day after day 21 of a covered stay
- October 1 MDS item set changes correlate to PDPM reimbursement changes
- Decreases the number of PPS MDS assessments needed but adds the IPA MDS assessment
6 Components of PDPM

Four Case-Mix Components
• Physical & Occupational Therapy (2)
• Speech Language Pathology
• Skilled Nursing Services (RUGs IV)
• Non-Therapy Ancillary Services

One Non-Case-Mix Component
Therapy Services

- PDPM first uses the resident's clinical conditions to determine therapy payment categories
- Therapy minutes/days provided does not weigh into the PDPM calculation
- Functional scores from section GG of the MDS are used to adjust the case-mix
Both therapy disciplines use the same scoring methodology:

1. A residents’ clinical condition (MDS item I8000) is assessed upon admission (MDS 5 day assessment) +

2. A resident’s performance scores from selected MDS section GG items as determined on their 5 day MDS assessment
PT/OT Components-GG

GG0130A1 (Eating)
GG0130B1 (Oral Hygiene)
GG0130C1 (Toileting Hygiene)
GG0170B1 (Sit to Lying)
GG0170C1 (Lying to Sitting on Side of Bed)
GG0170D1 (Sit to Stand)
GG0170E1 (Chair/Bed-to-Chair)
GG0170F1 (Toilet Transfer)
GG0170J1 (Walk 50 Feet with Two Turns)
GG0170K1 (Walk 150 Feet)
### Section GG

#### Functional Abilities and Goals - Admission (Start of SNF PPS Stay)

**GG010. Self-Care:**

Assessment period is Days 1 through 3 of the SNF PPS Stay starting with A2400B.

Complete only if A2400B = 01

Code the resident’s usual performance at the start of the SNF PPS stay (admission) for each activity using the 6-point scale. If activity was not attempted at the start of the SNF PPS stay (admission), code the reason. Code the resident’s end of SNF PPS stay (discharge) goals using the 6-point scale. Use of codes 0, 5, 10, or 20 is permissible to code end of SNF PPS stay (discharge) goals.

**Coding:**

1. **Safety and Quality of Performance:**
   - If help is required because resident’s performance is unsafe or of poor quality, score according to amount of assistance provided.
   - Activities may be completed with or without passive devices.
   1. Independent: Resident completes the activity by himself/herself with assistance from a helper.
   2. Setup or dress-up assistance: Helper sets up or dresses up resident complete activity. Helper assists only prior to or following the activity.
   3. Supervision or teaching assistance: Helper provides verbal cues and/or teaching, studying, and or contact guard assistance as resident completes activity. Assistance may be provided throughout the activity or intermittently.
   4. Partial/residual assistance: Helper does less than half the effort. Helper lifts, holds, or supports trunk or limbs, but provides less than half the effort.
   5. Substantial/minimal assistance: Helper does more than half the effort. Helper lifts, holds, or supports trunk or limbs and provides more than half the effort.
   6. Independent: If resident does not require the resident to complete the activity, or the assistance of 2 or more helpers is required for the resident to complete the activity.

**If activity was not attempted, code reason:**

1. Resident refused
2. Not applicable: Not attempted and the resident did not perform activity prior to the current illness, exacerbation, or injury.
3. Not attempted due to environmental limitations, e.g., lack of equipment, whether conditions
4. Not attempted due to medical condition or safety concerns

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Admission Performance</td>
</tr>
<tr>
<td>1</td>
<td>Eating: The ability to use suitable utensils to bring food and/or liquid to the mouth and swallow food and/or liquid once the meal is placed before the resident.</td>
</tr>
<tr>
<td>2</td>
<td>Oral hygiene: The ability to use suitable items to clean teeth. Dentures (if applicable). The ability to insert and remove dentures into and from the mouth, and manage dentures: cleaning and drying with use of equipment.</td>
</tr>
<tr>
<td>3</td>
<td>Toileting hygiene: The ability to maintain personal hygiene, attend toilet before and after eating or having a bowel movement. If managing an ostomy, include wiping the opening but not managing equipment.</td>
</tr>
<tr>
<td>4</td>
<td>Shower/bath self: The ability to bathe self, including washing, dressing, and drying self excluding washing of back and hair. Does not include transferring in or out of tub/shower.</td>
</tr>
<tr>
<td>5</td>
<td>Upper body dressing: The ability to dress and undress above the waist, including stockings, if applicable.</td>
</tr>
<tr>
<td>6</td>
<td>Lower body dressing: The ability to dress and undress below the waist, including undergarments, does not include footwear.</td>
</tr>
<tr>
<td>7</td>
<td>Putting on/taking off footwear: The ability to put on and take off socks and shoes or other footwear that is appropriate for safe mobility, excluding stockings, if applicable.</td>
</tr>
</tbody>
</table>
**Section GG**

### Functional Abilities and Goals - Admission (Start of SNF PPS Stay)

**GG607b. Mobility**

(assessment period is days 1 through 3 of the SNF PPS stay starting with 04/08/01)

Complete only if 02/21/09 – 01

- **Code the resident’s usual performance at the start of the SNF PPS stay (admission) for each activity using the 6-point scale.** If activity was not attempted at the start of the SNF PPS stay (admission), code the reason. Code the resident’s end of SNF PPS stay (discharge) goals using the 6-point scale. Use of codes 0, 1, 2, or 3 is permissible to code end of SNF PPS stay (discharge) goals.

**Coding:**

- **Safety or Quality of Performance:** In cases where assistance is required because resident’s performance is unsafe or of poor quality, score according to amount of assistance provided.
- **Activities may be completed with or without adaptive devices.**
- **Independent:** Resident completes the activity by him/herself with no assistance from a helper.
- **Setup or cleanup assistance:** Helper sets up or cleans up resident’s activity. Helper assists only prior to or following the activity.
- **Supervision or touching assistance:** Helper provides verbal cues and/or touching of and/or contract guard assistance as resident completes activity. Resident may be present throughout the activity or intermittently.
- **Partial/moderate assistance:** Helper does LESS THAN HALF the effort. Helper lifts, holds, or supports trunk or limbs, but provides less than half the effort.
- **Substantial/major assistance:** Helper does MORE THAN HALF the effort. Helper lifts or holds trunk or limbs and provides more than half the effort.
- **Dependent:** Helper does ALL of the effort. Resident does none of the effort to complete the activity. Or, the assistance of a or more helpers is required for the resident to complete the activity.
- **If activity was not attempted, code reason:**
  - 01. Resident refused
  - 02. Not applicable: Not attempted and the resident did not perform this activity prior to the current illness, exacerbation, or injury.
  - 03. Not attempted due to environmental limitations, e.g., lack of equipment, smaller constraints.
  - 04. Not attempted due to medical condition or safety concerns.

### Table

<table>
<thead>
<tr>
<th>Admission Performance</th>
<th>Discharge Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Roll left end right</td>
<td>A. Walk 10 feet</td>
</tr>
<tr>
<td>B. Sit to lying: The ability to move from sitting on side of bed to lying flat on the bed.</td>
<td></td>
</tr>
<tr>
<td>C. Lying to sitting on side of bed: The ability to move from lying on the back to sitting on the sides of the bed with feet on the floor, and with no back support.</td>
<td></td>
</tr>
<tr>
<td>D. Sit to stand: The ability to come to a standing position from sitting in a chair, wheel chair, or on the side of the bed.</td>
<td></td>
</tr>
<tr>
<td>E. Chair to chair transfer: The ability to transfer to and from a bed to a chair or wheelchair.</td>
<td></td>
</tr>
<tr>
<td>F. Toilet transfer: The ability to get on and off a toilet or commode.</td>
<td></td>
</tr>
<tr>
<td>G. Car transfer: The ability to transfer in and out of a car or van on the passenger side. Does not include the ability to open door or turn and fold belt.</td>
<td></td>
</tr>
<tr>
<td>H. Walk to feet: Once standing, the ability to walk to at least 10 feet in a room, corridor, or similar space. If admission performance is coded 0, 1, 2, or 3, code G610M, 1 step (walk).</td>
<td></td>
</tr>
<tr>
<td>J. Walk 50 feet with two turns: Once standing, the ability to walk to at least 50 feet and make two turns.</td>
<td></td>
</tr>
<tr>
<td>K. Walk 100 feet: Once standing, the ability to walk to at least 100 feet in a corridor or similar space.</td>
<td></td>
</tr>
</tbody>
</table>
### PT/OT Components-GG

#### Section GG: Functional Abilities and Goals - Admission [Start of SNF PPS Stay]

**GG017b. Mobility** (Assessment period is days 1 through 3 of the SNF PPS stay starting with A2/1001) - Continued

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>08</td>
<td>Independent</td>
</tr>
<tr>
<td>09</td>
<td>Some assistance</td>
</tr>
<tr>
<td>10</td>
<td>Moderate assistance</td>
</tr>
<tr>
<td>11</td>
<td>Substantial assistance</td>
</tr>
</tbody>
</table>

**Coding:**
- **Safety & Quality of Performance:** Help as needed because resident's performance is unusual or of poor quality, not according to current state of assistance received.
- **Activities:** may be completed with or without assistance.

**Instructions:**
- **Independent:** Resident completes the activity by himself/herself with no assistance from a helper.
- **Some assistance:** Help sets up or cleans up resident's equipment prior to following the activity.
- **Moderate assistance:** Help provides verbal cues and/or physical support or guidance as resident completes activity. Assistance may be provided throughout the activity or only when necessary.
- **Substantial assistance:** Help does substantial work. Help sets up or cleans up resident's equipment before the activity is started.

**Goal:**
- **Goal:** Must be met by the end of the SNF PPS stay.

**1. Administration/Performance:**
- **L. Walking to feet on uneven surfaces:** The ability to walk feet on uneven or sloping surfaces, both indoors and outdoors.
- **M. 1 step+curbs:** The ability to go up and down a curb and/or step and down one step.
- **N. 4 steps:** The ability to go up and down four steps with or without a rail.
- **O. 12 steps:** The ability to go up and down 12 steps with or without a rail.

**2. Discharge Goal:**
- **P. Picking up objects:** The ability to bend down to pick up a small object, such as a spoon, from the floor.
- **Q1. Does the resident use a wheelchair and/or scooter?**
- **Q2. Wheelchair or scooter use:**
  - Manual
  - Motorized

**Notes:**
- **221:** Indicate the type of wheelchair or scooter used.
- **222:** Indicate the type of wheelchair or scooter used.
Speech & Language Pathology Component

Different scoring method from PT/OT

1. A residents’ clinical condition (MDS item I8000) is assessed upon admission (MDS 5 day assessment) and coded as an Acute Neurological Condition +

2. Cognitive Impairments are determined (MDS BIMS Score) +

3. Comorbidities (CVA, TIA, Stroke, Apraxia, etc.) +

4. Swallowing problems (MDS items K0100 A-D) and/or a mechanically altered diet (MDS item K0510C)
Skilled Nursing Component

25 existing RUGs IV nursing groups with 6 major categories:

- Extensive Services
- Special Care High
- Special Care Low
- Clinically Complex
- Behavioral Symptoms & Cognitive Performance
- Reduced Physical Functioning
• Depression symptoms (MDS Section D, PHQ-9) adjusts the case-mix index score

• Restorative Nursing services (MDS Section O), further adjusts the case-mix index score

• 18% add-on for HIV/AIDS residents
Information for payment is derived from SNF claims data and MDS items in sections H, I, K, M, and O (see next slides)
Non-Therapy Ancillary Component

SNF Claims Data
- HIV/AIDS

MDS Sections H and K
- Ostomy (H0100C)
- Intermittent Catheterization (H0100D)
- Parenteral IV Feeding-TPN (K0510A2 & K0710A2)
- Feeding Tube (K0510B2)
Non-Therapy Ancillary Component

MDS Sections M and O

- Diabetic Foot Ulcer (M01040B)
- Stage IV Pressure Ulcer (M0300D1)
- Other Foot/Skin Problems (M01040A & M01040C)
- IV Medication (O0100H2)
- Ventilator/Respirator (O0100F2)
- Transfusion (O0100I2)
- Tracheostomy (O0100E2)
- Infection Isolation (O0100M2)
- Radiation (O0100B2)
- Suctioning (O0100D2)
Non-Therapy Ancillary Component

MDS Section I

- Infection with Multiple Resistant Drug Organism (I7000)
- Multiple Sclerosis (I5200)
- Asthma, COPD, or Chronic Lung Disease (I6200)
- Diabetes Mellitus (I2900)
- Wound Infection (other than to foot) (I2500)
- Malnutrition (I5600)
Non-Therapy Ancillary Component

MDS Section I: Additional Active Diagnoses I8000

- Lung Transplant Status
- Major Organ Transplant, Except Lung Status
- Opportunistic Infections
- Bone/Joint/Muscle Infections/Necrosis
- Chronic Myeloid Leukemia
- Endocarditis
- Immune Disorders
- End-Stage Liver Disease
- Narcolepsy and Cataplexy
- Cystic Fibrosis
- Specified Hereditary Metabolic/Immune Disorders
- Morbid Obesity
- Psoriatic Arthropathy and Systemic Sclerosis
### MDS Section I: Additional Active Diagnoses I8000
- Chronic Pancreatitis
- Inflammatory Bowel Disease
- Proliferated Diabetic Retinopathy and Vitreous Hemorrhage
- Complications of Specified Implanted Device or Graft
- Aseptic Necrosis of Bone
- Cardio-Respiratory Failure and Shock
- Myelodysplastic Syndrome and Myelofibrosis
- Systemic Lupus Erythematosus, other connective tissue disorders and Inflammatory Spondylopathies
- Diabetic Retinopathy
- Severe Skin Burns or Condition
- Intractable Epilepsy
- Disorders of Immunity (except RxCC97)
- Cirrhosis of Liver
- Respiratory Arrest
- Pulmonary Fibrosis and Other Chronic Lung Disorders
Non-Case Mix Component

• This is a daily per diem flat rate and has not changed from the rate in RUGS IV

• This payment is seen as payment for overhead costs such as laundry services, housekeeping, utilities, food, etc.
ICD-10 Coding

• New MDS item in Section I, I0020
• Indicates the resident’s primary medical condition that best describes the primary reason for admission
• Not to be confused with I8000
  (see next slide)
ICD-10 Coding

- Additional Diagnosis I8000A
- This is where we code the primary diagnosis in terms of an ICD-10 code for PDPM purposes
5 Day MDS

- Assessment ARD setting window days 1-8 of the Medicare stay
- Sets the rate for the entire Medicare stay, unless and IPA assessment is completed

PPS Part A Discharge (NPE)

- Reports the end of a Medicare A stay and QRP data
- Reports therapy minutes and days during stay
## PDPM vs. RUGS IV

<table>
<thead>
<tr>
<th>PDPM</th>
<th>RUGS IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 5 Day Assessment</td>
<td>• 5 Day Assessment</td>
</tr>
<tr>
<td>• IPA (optional)</td>
<td>• 14 Day Assessment</td>
</tr>
<tr>
<td>• PPS Part A Discharge Assessment (NPE)</td>
<td>• 30 Day Assessment</td>
</tr>
<tr>
<td></td>
<td>• 60 Day Assessment</td>
</tr>
<tr>
<td></td>
<td>• 90 Day Assessment</td>
</tr>
<tr>
<td></td>
<td>• Off Cycle Assessments: SOT, COT, EOT</td>
</tr>
<tr>
<td></td>
<td>• PPS Part A Discharge Assessment (NPE)</td>
</tr>
</tbody>
</table>
## PDPM vs. RUGS IV

<table>
<thead>
<tr>
<th>PDPM</th>
<th>RUGS IV</th>
</tr>
</thead>
<tbody>
<tr>
<td>• 5 Day MDS determines the payment for the entire Medicare A stay</td>
<td>• Payments are adjusted with each PPS MDS assessment completed during the Medicare A stay</td>
</tr>
<tr>
<td>• Ensuring medical record accuracy and translation onto the MDS during the <strong>FIRST</strong> 8 days of the stay is essential</td>
<td>• Services provided but not documented correctly are able to be captured with correct documentation on subsequent MDS assessments</td>
</tr>
<tr>
<td>• ICD-10 accuracy</td>
<td></td>
</tr>
<tr>
<td>• Requirements for what constitutes a skilled stay did <strong>NOT</strong> change</td>
<td></td>
</tr>
</tbody>
</table>
IPA

- Used to capture significant changes in resident condition during their stay
- This is an off cycle assessment, used as needed to reclassify a resident into a more appropriate PDPM reimbursement category
- Resets the rate based on the ARD of the assessment (see Final Rule)
“Rather than making the IPA a required assessment as we proposed, this assessment will be optional, and providers may determine whether and when an IPA is completed. In addition, because the IPA is an optional assessment and providers can determine their own criteria for when an IPA is completed, we are revising the ARD criteria such that the ARD will be the date the facility chooses to complete the IPA relative to the triggering event that causes the facility to choose to complete the IPA. Payment based on the IPA would begin the same day as the ARD.”
SNF Reimbursement Impact

- Determining the primary diagnosis for the SNF stay MDS item 18000
  - Who will determine this?
- Financial incentive shift
  - Clinical complexity of resident's will be reimbursed higher than simply delivering a large volume of therapy minutes
- Decreased MDS assessment volume
- Increased importance of MDS accuracy
Clinical Systems Impact

How can we prepare?

1. ICD-10 coding must be ACCURATE and consistent
   • Who reviews the entire medical record and determines what medical diagnoses (ICD-10) codes to use?
   • How are ICD-10 diagnoses input into the MDS? EHR software imports?
   • When was the last ICD-10 training geared towards SNFs conducted in your facility?
Clinical Systems Impact

How can we prepare, cont’d.?

2. Review/fine tune MDS section GG coding
   - According to the RAI manual, section GG is to be the residents “Usual Function” during their first 3 days of their stay, before therapy services provided impact the residents’ functioning
   - Section GG is to be a “professional assessment” of the residents’ Usual Function, not a count of ADL dependency levels
   - Review therapy GG data imports, if applicable, into your EHR software
   - Ensure you have a TEAM approach
Clinical Systems Impact

How can we prepare, cont’d.?

3. MDS Accuracy
   - MDS coding accuracy audits of nursing skilled items (RUGS IV items)
   - Timely completion – review late assessment warnings on validation reports to identify trends

4. Clinical Documentation Quality
   - Clinical record must support MDS coding and the skilled necessity
   - Senior nursing leadership participation is a MUST
Clinical Systems Impact

How can we prepare, cont’d?

5. Nursing Assessments

• Do your admission and daily skilled nursing assessments capture the necessary items to be coded on the MDS?
• Does your software vendor allow you to create your own assessments or link them directly to the MDS?
• How are changes in condition determined and monitored? Capturing when a resident has a significant change that necessitates an IPA is very important.
• Does your nursing staff complete an SBAR or Interact assessments when a change in condition is identified?
Facility Departmental Impact

- Decreased volume of MDS assessments needed
- Increased need for persons specialized in ICD-10 coding for SNFs
- Decrease in the volume of therapy minutes provided
- Increased clinical complexity of skilled residents
What Do I Do Next?

- Know the clinical complexity of residents you care for now—look at your nursing RUGs IV categories over the past year
- Conversely, know the clinical complexity of residents your competitors care for now
- What is your edge? What do you do clinically that is different or better than your competitor(s)?
- If you don’t “specialize” in one-two areas clinically, what clinical program(s) can you begin to build now? (refer to your current RUGs IV case-mix)
What Do I Do Next?

BIMS and PHQ-9 play larger roles in PDPM

• Who administers these interviews in your facility?
• Are they administering them accurately?
• When did you last conduct MDS training related to the correct process for administering resident interviews?
What Do I Do Next?

- Refresh yourself on the current RUGs IV nursing skilled categories, yes all 25
- Evaluating a potential resident in the hospital prior to admission and “pre-RUGging” them will not occur under PDPM
- PDPM is too massive and has too many components to determine a resident’s payment manually
- Accuracy of assessment and capturing services provided is the only **KEY**
Questions?
Thank You
References

CMS SNF PDPM Grouper Tool retrieved from:
https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/therapyresearch.html

SNF PDPM Technical Report retrieved from:

SNF PDPM Calculation Worksheet
MDS 3.0 RAI Manual updated 10/1/2018