FSA Risk & Compliance

PDPM: Where are we now?

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Disclaimer

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Current State of PDPM

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- Implemented October 1, 2019
- The Medicare payment rates used under the prospective payment system for SNFs for FY2022 (SNF PPS) were updated
- Changes to the PDPM ICD-10-CM Mapping
- The SNF Value Based Purchasing (VBP) Program that affects Medicare payment to the SNFs was also updated.
- The SNF Quality Reporting Program (QRP) was updated

Medicare Payment Rates

- Increase of approximately $410 million
  - $411 million increase from the payment update of 1.2%
    - 2.7% market basket update
      - Less 0.8% point forecast error adjustment and a 0.7 percentage point productivity adjustment; and
      - $1.2 million decrease due to the proposed reduction to the SNF PPS rates to account for the recent blood-clotting factors exclusion

Medicare Payment Rates

- FY 2022 Unadjusted Federal Rate Per Diem – URBAN

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case Mix
Per Diem Amount	$62.82	$58.48	$23.45	$109.51	$85.62	$98.07

- FY 2022 Unadjusted Federal Rate Per Diem – RURAL

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case Mix
Per Diem Amount	$71.61	$64.77	$29.55	$104.62	$78.93	$99.88

Medicare Payment Rates

- Methodology for recalibrating the PDPM Parity Adjustment
  - PDPM was not budget neutral
    - FY2020 was an increase of approximately 5% or $1.7 billion
- SNF Market Basket
  - The market basket was rebased and revised to improve payment accuracy by using the 2018-based SNF market basket instead of the 2014-based SNF market basket
- Blood Clotting Factor exclusion
  - CMS finalized a proportional reduction in the SNF Part A rates to account for the new blood clotting factor exclusion (effective 10/1/2021)

Changes to PDPM ICD-10-CM Mapping

- Revised PDPM ICD-10-CM Mapping
  - Affected areas:
    - Sickle-cell disease, esophageal conditions, multisystem inflammatory syndrome, neonatal cerebral infarct, vaping-related disorder, and anoxic brain damage

SNF Value-Based Purchasing

- SNF VBP Update
  - CMS is suppressing the SNF 30-Day All-Cause Readmission Measure (SNFRM) for the FY2022 SNF VBP year because of the PHE and the impact of COVID-19
    - All SNFs will receive a performance score of zero regardless of their performance
      - CMS will reduce the federal per diem for each SNF by 2% and award 60% of that withhold, resulting in a 1.2%
  - Potential for additional measures in FY2024

SNF Quality Reporting Program

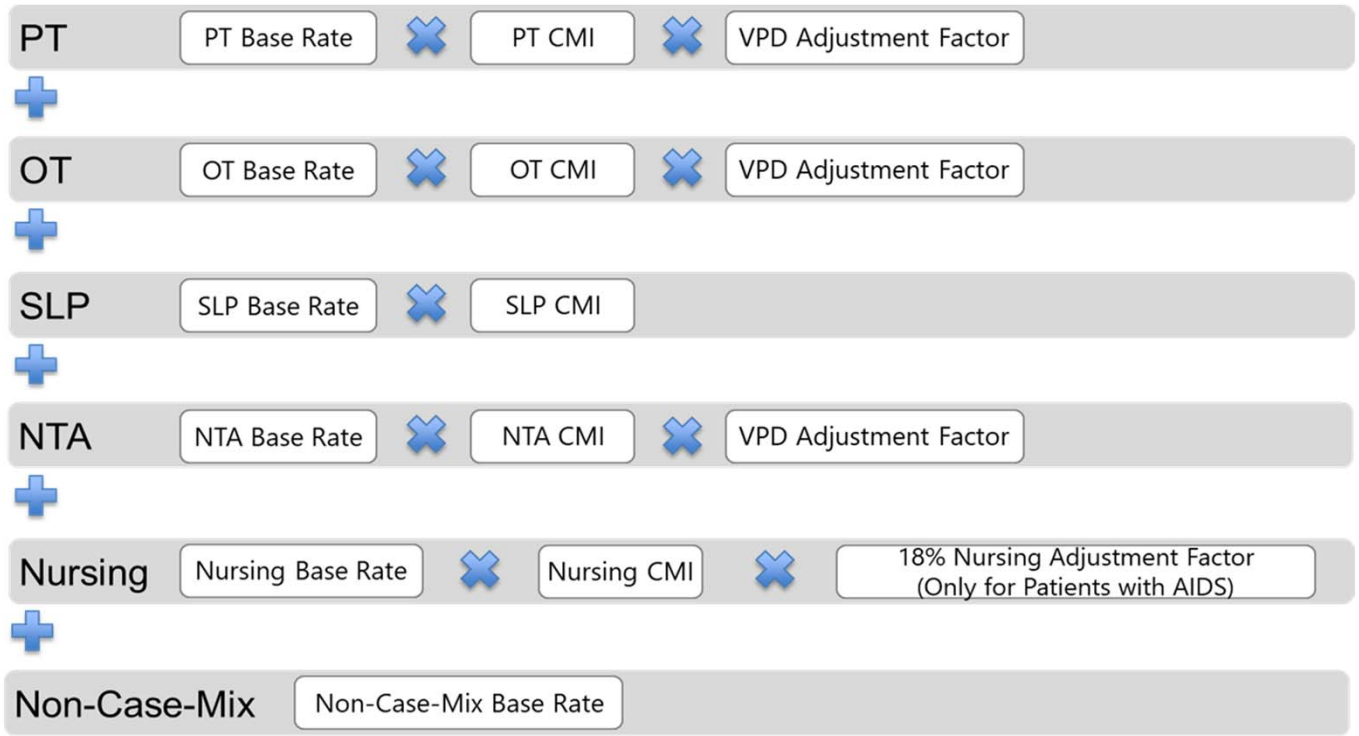
- SNF QRP Update
  - CMS adopted two new measures and updated the specifications for another measure.
    - New – Beginning FY2023: SNF Healthcare-Associated Infections (HAI) Requirement Hospitalization Measure and COVID-19 Vaccination Coverage among Healthcare Personnel (HCP) Measure
    - Update: Updated the denominator for the Transfer of Health (TOH) Information to the Patient-Post Acute Care (PAC) quality measure
  - CMS made a modification to the public reporting of SNF quality measures
  - Sought comments for two Requests for Information (RFIs)
    - Closing the Health Equity Gap
    - Fast Healthcare Interoperability Resources (FHIR) in Support of Digital Quality Measurement in Post-Acute Care Quality Reporting Programs

PDPM Challenges

PDPM Challenges

- Preadmission/Admission process
- Accurate primary diagnosis on admission
- Capture of appropriate surgical code
- Capture of SLP items
- Appropriate nursing case mix group
- Documentation and capture of NTAs
- Billing and Compliance

PDPM


PT
PT Base Rate
PT CMI
VPD Adjustment Factor
OT
OT Base Rate
OT CMI
VPD Adjustment Factor
SLP
SLP Base Rate
SLP CMI
NTA
NTA Base Rate
NTA CMI
VPD Adjustment Factor
Nursing
Nursing Base Rate
Nursing CMI
18% Nursing Adjustment Factor
(Only for Patients with AIDS)
Non-Case-Mix
Non-Case-Mix Base Rate

PDPM

- HIPPS Characters

Character	1	2	3	4	5
PDPM Component	PT/OT	SLP	Nursing	NTA	AI
Code	A-P	A-L	A-Y	A-F	0-1

PDPM

Component	Component Group	Component Rate	VPD Adjustment Factor	VPD Adjustment Rate
PT	TN	$62.82	1.0	$92.97
OT	TN	$58.48	1.0	$87.72
SLP	SH	$23.45	-	$67.07
Nursing	CBC2	$109.51	-	$169.73
NTA	NC	$85.62	3.0	$472.62
Non-Case-Mix		$98.07	-	$98.07
Total PDPM Case-Mix Adjusted Per Diem				$988.18

PDPM

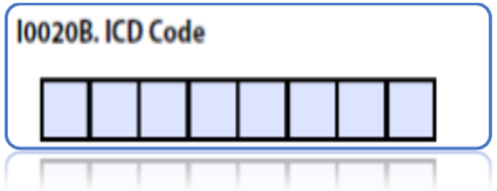
HIPPS Code	PDPM Case-Mix Adjusted Per Diem	Labor Portion	Wage Index	Wage Index Adjusted Rate	Non-Labor Portion	Total Case-Mix and Wage Index Adjustment Rate
NHNC1	$988.18	$695.68	0.9185	$638.98	$292.50	$931.48

PDPM Challenges

- Preadmission/Admission process
  - Primary and secondary insurance verification
  - Appropriate provision of care
    - Staffing
    - Services
    - Supplies/equipment
  - Skilled service
  - Care transition planning

PDPM Challenges

- PT and OT components
- Primary clinical category
  - Primary reason for the SNF PPS stay



ICD-10-CM Code	Description	Default Clinical Category
A080	Rotaviral enteritis	Medical Management
A0811	Acute gastroenteropathy due to Norwalk agent	Medical Management
A0819	Acute gastroenteropathy due to other small round viruses	Medical Management
A082	Adenoviral enteritis	Medical Management
A0831	Calicivirus enteritis	Medical Management
A0832	Astrovirus enteritis	Medical Management
A0839	Other viral enteritis	Medical Management
A084	Viral intestinal infection, unspecified	Medical Management
A088	Other specified intestinal infections	Medical Management
A09	Infectious gastroenteritis and colitis, unspecified	Medical Management
A150	Tuberculosis of lung	Acute Infections

https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html

PDPM Challenges

- Some diagnoses will return a message under the fourth column named:

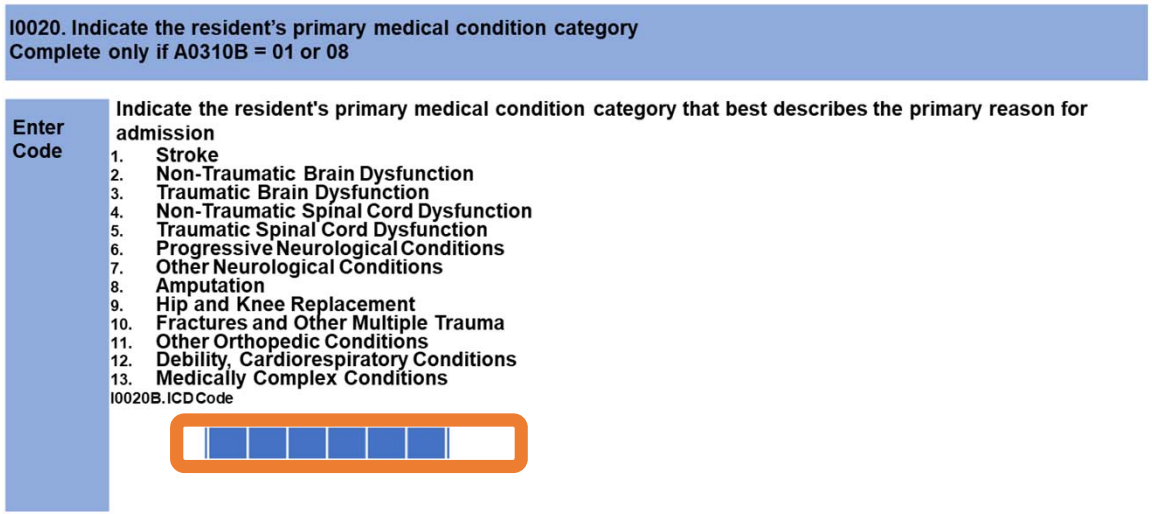
Resident Had a Major Procedure During the Prior Inpatient Stay That Impacts the SNF Care Plan

- Indicates that the resident may be eligible for more than one surgical category
  - Based on coding of J2100-J5000
  - If column 4 is “n/a” then surgery code is not required and the default clinical category code applies

ICD-10-CM Code	Description	Default Clinical Category	Resident Had a Major Procedure during the Prior Inpatient Stay that Impacts the SNF Care Plan?
S72041D	Displaced fracture of base of neck of right femur, subsequent encounter for closed fracture with routine healing	Orthopedic Surgery (Except Major Joint Replacement or Spinal Surgery)	May be Eligible for One of the Two Orthopedic Surgery Categories
S72041K	Displaced fracture of base of neck of right femur, subsequent encounter for closed fracture with nonunion	Non-Surgical Orthopedic/Musculoskeletal	May be Eligible for One of the Two Orthopedic Surgery Categories
S72041M	Displaced fracture of base of neck of right femur, subsequent encounter for open fracture type I or II with nonunion	Non-Surgical Orthopedic/Musculoskeletal	May be Eligible for One of the Two Orthopedic Surgery Categories
S72041N	Displaced fracture of base of neck of right femur, subsequent encounter for open fracture type IIIA, IIIB, or	Non-Surgical Orthopedic/Musculoskeletal	May be Eligible for One of the Two Orthopedic Surgery

PDPM Challenges

- Section I0020: Indicate the resident's primary medical condition category
  - Include the primary medical condition coded in this item in Section I: Active Diagnoses in the last 7 days.



I0020. Indicate the resident's primary medical condition category
Complete only if A0310B = 01 or 08

Enter Code

Indicate the resident's primary medical condition category that best describes the primary reason for admission

1. Stroke
2. Non-Traumatic Brain Dysfunction
3. Traumatic Brain Dysfunction
4. Non-Traumatic Spinal Cord Dysfunction
5. Traumatic Spinal Cord Dysfunction
6. Progressive Neurological Conditions
7. Other Neurological Conditions
8. Amputation
9. Hip and Knee Replacement
10. Fractures and Other Multiple Trauma
11. Other Orthopedic Conditions
12. Debility, Cardiorespiratory Conditions
13. Medically Complex Conditions

I0020B. ICD Code

PDPM Challenges

- MDS Section J
- Prior surgery (Item J2100)
  - "Did the resident have a major surgical procedure during the prior inpatient hospital stay that requires active care during the SNF stay?"
  - In order to capture surgical information which may be relevant to classify the patient into a PDPM clinical category, CMS is added items in Section J of the MDS.
    - J2300-J5000

- Replacement vs. Repair

MDS Section J: Patient Surgical Categories

Item	Surgical Procedure Category	Item	Surgical Procedure Category
J2100	Recent Surgery Requiring Active SNF Care	J2610	Neuro surgery - peripheral and autonomic nervous system - open and percutaneous
J2300	Knee Replacement - partial or total	J2620	Neuro surgery - insertion or removal of spinal and brain neurostimulators, electrodes, catheters, and CSF drainage devices
J2310	Hip Replacement - partial or total	J2699	Neuro surgery - other
J2320	Ankle Replacement - partial or total	J2700	Cardiopulmonary surgery - heart or major blood vessels - open and percutaneous procedures
J2330	Shoulder Replacement - partial or total	J2710	Cardiopulmonary surgery - respiratory system, including lungs, bronchi, trachea, larynx, or vocal cords - open and endoscopic
J2400	Spinal surgery - spinal cord or major spinal nerves	J2799	Cardiopulmonary surgery - other
J2410	Spinal surgery - fusion of spinal bones	J2800	Genitourinary surgery - male or female organs
J2420	Spinal surgery - lamina, discs, or facets	J2810	Genitourinary surgery - kidneys, ureter, adrenals, and bladder - open, laparoscopic
J2499	Spinal surgery - other	J2899	Genitourinary surgery - other
J2500	Ortho surgery - repair fractures of shoulder or arm	J2900	Major surgery - tendons, ligament, or muscles
J2510	Ortho surgery - repair fractures of pelvis, hip, leg, knee, or ankle	J2910	Major surgery - GI tract and abdominal contents from esophagus to anus, biliary tree, gall bladder, liver, pancreas, spleen - open, laparoscopic
J2520	Ortho surgery - repair but not replace joints	J2920	Major surgery - endocrine organs (such as thyroid, parathyroid), neck, lymph nodes, and thymus - open
J2530	Ortho surgery - repair other bones	J2930	Major surgery - breast
J2599	Ortho surgery - other	J2940	Major surgery - deep ulcers, internal brachytherapy, bone marrow, stem cell harvest/transplant
J2600	Neuro surgery - brain, surrounding tissue/blood vessels	J5000	Major surgery - other not listed above

PDPM Challenges

- Capture of SLP items
  - Comorbidities
    - I8000
  - Swallowing disorders
    - K0100A-D

PDPM Challenges

- Appropriate nursing case mix group
  - Understanding the impact
  - Isolation vs. not isolation
  - Diagnoses
  - Services
  - Supportive documentation

PDPM Challenges

- Documentation and capture of NTAs
  - Understanding conditions, services and diagnoses
    - Section I8000 -27 components
    - Use the CMS PDPM mapping tool

PDPM Challenges

- Billing and Compliance
  - Initial check, double check, Triple Check
    - Easy as 1 – 2 – 3
  - Education and knowledge by all team members
  - Process for external audits

Opportunities

Opportunities

- All Challenges are also Opportunities
  - Education of the facility team and physicians
  - Processes for:
    - Preadmission/Admission
    - Supportive documentation
      - All components of PDPM
      - Skilled service
      - Ancillary services
    - Physician orders
    - Medicare Part A Physician Certification and Recertifications
    - Triple Check

Opportunities

- SNF Benefit Period Waiver
  - CMS recognizes that disruptions arising from a PHE can affect coverage under the SNF benefit.
    - Prevent a beneficiary from having the 3-day inpatient qualifying hospital stay (QHS)
    - Disrupt the process of ending the beneficiary's current benefit period and renewing their benefits
  - QHS waiver:
    - All beneficiaries qualify, regardless of whether they have SNF benefit days remaining
    - The beneficiary's status of being "affected by the emergency" exists nationwide under the current PHE (you do not need to verify individual cases)

Opportunities

- Medicare Part A

Technical Eligibility

- Enrolled in Part A and has benefit days to use;
- Three-day qualifying hospital stay;
- Occupy a Medicare-certified bed;
- Condition being treated for skilled care was treated in the hospital or arose while receiving care for a condition treated in a hospital; and
- 30-day transfer requirement

Medical Eligibility

- Medical professional certifies that skilled nursing care is necessary; and
- Patient must require daily services that can only be provided in a skilled nursing facility.

Opportunities

- SNF Benefit Period Waiver
  - Benefit Period Waiver:
    - Beneficiaries who exhaust their SNF benefits can receive a renewal of SNF benefits under the waiver ***except*** in one particular scenario: that is beneficiaries who are receiving ongoing skilled care in a SNF that is *unrelated* to the emergency.
    - To qualify for the benefit period waiver, a beneficiary's continued receipt of skilled care in the SNF must in some way be related to the PHE.

Opportunities

- Benefit Period Waiver (cont'd)
  - Would not apply to those beneficiaries who are receiving ongoing skilled care in the SNF that is unrelated to the emergency.
    - Ex: A beneficiary has a continued skilled care need (such as a feeding tube) that is unrelated to the COVID-19 emergency, then the beneficiary cannot renew his or her SNF benefits as it is this continued skilled care in the SNF rather than the emergency that is preventing the beneficiary from beginning the 60 day "wellness period."

Opportunities

- Benefit Period Waiver (cont'd)
  - A SNF resident's ongoing skilled care is considered to be emergency-related *unless* it is altogether unaffected by the COVID-19 emergency itself (the beneficiary is receiving the very same course of treatment as if the emergency had never occurred.)
  - Compare the course of treatment that the beneficiary has actually received to what would have been furnished *absent* the emergency.
  - Unless the two are exactly the same, the provider would determine that the treatment has been affected by and therefore, is related to the emergency

Opportunities

- Benefit Period Waiver (cont'd)
  - Providers should use the criteria discussed in determining when to document on the claim that the patient meets the requirement for the waiver.
    - Providers should work with their respective MACs to provide any documentation needed to establish that the COVID-19 emergency applies for the benefit waiver for each benefit period waiver claim.
    - If the SNF provider has not yet submitted the PPS assessments for the benefit period waiver providers may utilize the Health Insurance Prospective Payment System (HIPPS) code that was being billed when the beneficiary reached the end of their SNF benefit period.

Opportunities

- Billing Instructions
  - To bill for the QHS waiver, include the DR condition code.
  - To bill for the benefit period waiver:
    - Submit a final discharge claim on day 101 with patient status 01, discharge to home
    - Readmit the beneficiary to start the benefit period waiver

Opportunities

- Billing Instructions (cont'd)
  - Admission under the benefit period waiver
    - Complete a 5-day PPS Assessment (The interrupted stay policy does not apply.)
    - Follow all SNF Patient Driven Payment Model (PDPM) assessment rules.
    - Include the HIPPS code derived from the new 5-day assessment on the claim.
    - The variable per diem schedule begins from Day 1.

Opportunities

- Billing Instructions (cont'd)
  - For SNF Benefit period waiver claims, include the following:
    - Condition code DR – identifies the claims as related to the PHE
    - Condition code 57 (readmission) – this will bypass edits related to the 3-day stay being within 30 days
    - COVID100 in the remarks – this identifies the claim as a benefit period waiver request.

Opportunities

- MLN Matters – Medicare PPF Response to the PHE on COVID-19
  - SE20011 was revised on September 8, 2021 to include more information about the SNF waivers

  https://www.cms.gov/files/document/se20011.pdf
    - The emergency SNF QHS and benefit period requirements under Section 1812(f) of the Social Security Act help restore SNF coverage that patients affected by the emergency would be entitled to under normal circumstances. By contrast, these emergency measures don't waive or change any other existing requirements for SNF coverage under Part A such as the SNF level of care criteria, which remain in effect under the emergency
    - Using the authority under Section 1812(f) of the Social Security Act, CMS doesn't require a 3-day prior hospitalization for coverage of a SNF stay, which provides temporary emergency coverage of SNF services (including SNF-level swing-bed services in rural hospitals and CAHs) without a QHS, for those people who experience dislocations, or are otherwise affected by COVID-19. At the same time, we're monitoring for any SNF admissions under Section 1812(f) that don't meet the SNF level of care criteria (which, as noted above, remain in effect during the emergency), and we'll take appropriate administrative action in any instances that we find. See SNF Billing Reference for more information on SNF eligibility and coverage requirements.

Opportunities

- July 19, 2021 - Renewal of Determination That A Public Health Emergency Exists
  - *As a result of the continued consequences of the Coronavirus Disease 2019 (COVID-19) pandemic, on this date and after consultation with public health officials as necessary, I, Xavier Becerra, Secretary of Health and Human Services, pursuant to the authority vested in me under section 319 of the Public Health Service Act, do hereby renew, effective July 20, 2021, the January 31, 2020, determination by former Secretary Alex M. Azar II, that he previously renewed on April 21, 2020, July 23, 2020, October 2, 2020, and January 7, 2021, and that I renewed on April 15, 2021, that a public health emergency exists and has existed since January 27, 2020, nationwide.*

Pulling it All Together

- Pulling it all together
  - Ensure your software is set-up with Medicare rate changes, including the SNF-VBP incentive multiplier
  - Use a team approach to ensure the primary diagnosis selection is reflective of why the resident is in the facility for a skilled level of care
    - Involve the attending physician to obtain specific diagnoses
  - Request all surgical procedure documentation from the referring hospital
  - Discuss the resident care to ensure accurate capture of services provided and corresponding reimbursement

Questions?

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