Are You Ready for the October 1, 2019 PDPM Kickoff?

Jane Belt, RN, MS, RAC-MT, RAC-MTA, QCP
September 11, 2019

Objectives

• Delineate the criteria for an interrupted stay
• Distinguish the differences between the “transitional” IPA and other IPA assessments
• Develop a strategy for successful transition to PDPM
Methodology and Philosophy of the SNF PPS

- The Medicare Part A skilled nursing facility (SNF) benefit covers skilled nursing and rehabilitative services
  - Services must be deemed medically necessary and appropriate by Medicare regulations
  - Services must be provided while the beneficiary is an inpatient of a SNF
  - If the goods and services provided under the SNF benefit meet all technical and level-of-care requirements, the SNF staff may submit claims to Medicare for payment

The Shift in SNF PPS

RUG-IV

- Payments primarily based on volume of therapy provided to the resident
- Little consideration of clinical characteristics that impact resources used to care for the resident

PDPM

- Payments based on resident characteristics, needs, and goals
- Payment dependent on variety of resident characteristics, needs, and goals
- Intended to provide more resources to care for medically complex residents
Methodology and Philosophy of the SNF PPS

- The method of payment is a Prospective Payment System (PPS)
  - Daily rate is determined at the beginning of the SNF stay by recording data on the Minimum Data Set (MDS)
    - Clinical conditions
    - Active diagnoses
    - Services
  - It is a “prospective” payment system because this clinical determination is made at the beginning of the stay based on resident characteristics for the entire stay

Quick Review of PDPM
PDPM Per Diem Calculation

- PT = $ case-mix adjusted rate
- OT = $ case-mix adjusted rate
- SLP = $ case-mix adjusted rate
- Nursing = $ case-mix adjusted rate
- NTA = $ case-mix adjusted rate
- Non-Case-Mix = $ flat rate

HIPPS Codes

- In order to accommodate the new payment groups, the PDPM HIPPS algorithm is revised as follows:
  - Character 1: PT/OT Payment Group
  - Character 2: SLP Payment Group
  - Character 3: Nursing Payment Group
  - Character 4: NTA Payment Group
  - Character 5: Assessment Indicator
Key Points of the PDPM PPS Schedule

• 5-Day
• Part A PPS Discharge
• Variable per diem schedule
• Interrupted stays
• Optional Interim Payment Assessment (IPA)
• Transitional IPA for transition to PDPM

PDPM PPS Schedule

• Required:
  – 5-Day PPS at the start of the Medicare stay
    • ARD window: days 1-8
  – Part A PPS Discharge at the end of the Medicare stay
    • ARD must be equal to A2400C (End date of most recent Medicare stay)
      OR
    • If the End Date of the Most Recent Medicare Stay (A2400C) occurs on the day of or one day before the Discharge Date (A2000), the OBRA Discharge assessment and Part A PPS Discharge assessment are both required and may be combined. When the OBRA and Part A PPS Discharge assessments are combined, the ARD (A2300) must be equal to the Discharge Date (A2000)
Operational Strategies: PPS Assessment Schedule

- ARD selection – what documentation is available during the look-back window
- Hospital documentation
- Supporting physician documentation for ICD-10 codes
- Supporting nursing documentation
- Supporting social services and dietary documentation
- Auditing – accuracy and timeliness

Variable Per Diem

- Payment Model Research identified that certain costs and services did not remain constant throughout the Medicare stay
  - High initial cost of non-therapy ancillaries
  - Tapering costs and services of PT and OT

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Variable Per Diem (VPD)

- **PT and OT Components Adjustment Factor:**

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- **NTA Component Adjustment Factor:**

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Interrupted Stay Policy

- Variable per diem adjustments provide a **potential incentive** for providers to discharge a Medicare Part A resident and readmit him/her to reset the variable per diem.

- CMS stressed that frequent readmissions or transfers of a resident can represent a **significant risk to the resident’s care** and increase provider burden.

- To **mitigate this practice**, CMS introduced the interrupted stay policy.
CMS - Interrupted Stay:

- Resident is discharged from SNF care and subsequently readmitted to the same SNF (not a different SNF) within three days or less after the discharge (the “interruption window”)
- Interruption window is a three-day period starting with the calendar day of discharge and includes the two days immediately following
- Resident must return to the same SNF by 11:59 p.m. at the end of the third calendar day (continuation of stay). Assessment schedule continues from the point prior to discharge

Both of the following criteria must be met for a discharge and readmission to be considered an “interrupted stay”:
1. Resident returns to the same SNF; and
2. Resident returns by 11:59 p.m. at the end of the third calendar day

Interrupted Stay Policy

Medicare Stay

Interrupted Stay Window

SNF Stay

PPS D/C

Returns within window for a continued Medicare stay

Medicare Stay

Interrupted Stay Window

SNF Stay

PPS D/C

Does NOT return within window. This is a new Medicare stay
Nursing Home Items sets: Comprehensive (NC), Quarterly (NQ), OBRA Discharge (ND), 5-day PPS (NP)

Interrupted Stay Policy

- Policy applies not only in instances when a resident physically leaves the facility, but also in cases when the resident remains in the facility but is discharged from a Medicare Part-A covered stay
  - No Part A Discharge required
  - OBRA Discharge may be required
  - Entry record may be required
  - New 5-Day is not completed
  - Variable per diem is not reset
  - Evaluate benefit of completing an IPA
Interrupted Stay Policy

- If resident is discharged from SNF and readmitted more than 3 consecutive calendar days after discharge, or admitted to a different SNF, then the subsequent stay is considered a new stay:
  - Assessment schedule and variable per diem schedule reset to day 1
  - Part A PPS Discharge is required
  - OBRA Discharge may be required
  - Entry record may be required
  - New 5-day assessment required
  - Variable per diem resets to day 1

A0310G1

Coding Tips

- Item A0310G1 indicates whether or not an interrupted stay occurred
- The interrupted stay policy applies to residents who either leave the SNF, then return to the same SNF within the interruption window, or to residents who are discharged from Part A-covered services and remain in the SNF, but then resume a Part A-covered stay within the interruption window (RAI Manual Pre-release page A-9)
CMS Policies

Interrupted Stay Policy
- Newly implemented with PDPM
  - Two criteria for policy:
    • Return to the same SNF
    • Return by 11:59 pm on the third calendar day
  - Coverage determination for Medicare eligibility must also be met in addition to the interrupted stay policy

Medicare Coverage Policy
- No changes with PDPM
  - Skilled coverage under PDPM the same as RUG-IV
  - Must meet technical and skilled level of care requirements
  - Requires physician certification of skilled care
  - 30-day transfer rule has not changed

Operational Strategies: Scheduling Considerations

1. Variable per diem schedule
2. Interrupted Stay Policy
   - Tracking and projecting rates with the variable per diem
   - Monitor, track, validate correct billing of these days during any interrupted stays
   - Impact of interrupted stays on SNF QRP measures
Key Tips

• Interruption window must be tracked for all Medicare discharges regardless of discharge location
• Interruption window policy does not change existing Medicare coverage policies
• OBRA assessment schedule is unaffected by the interrupted stay policy
• Physician certification must be restarted when a new 5-Day is required

Administrative Presumption

• The SNF PPS includes an administrative presumption in which a beneficiary who is correctly assigned one of the designated, more intensive case-mix classifiers on the 5-day PPS assessment is automatically classified as requiring an SNF level of care through the assessment reference date of the 5-day
• The following PDPM classifiers are designated under the presumption:
  ▪ Those nursing groups encompassed by the Extensive Services, Special Care High, Special Care Low, and Clinically Complex nursing categories;
  ▪ PT & OT groups TA, TB, TC, TD, TE, TF, TG, TJ, TK, TN, and TO;
  ▪ SLP groups SC, SE, SF, SH, SI, SJ, SK, and SL; and
  ▪ The NTA component’s uppermost (12+) comorbidity group
Those beneficiaries not assigned one of the designated classifiers are not automatically classified as either meeting or not meeting the level of care definition but instead receive an individual determination using the existing administrative criteria.

PDPM
INTERIM PAYMENT ASSESSMENT (IPA)
IPA

- RAI User’s Manual (pre-release) V1.17.1
  - Interim Payment Assessment (IPA) Item Set = set of items active on an IPA and used for PPS payment purposes. This is a standalone assessment. (pg. 2-12)

IPA

Interim Payment Assessment
- Optional assessment
- ARD (item A2300) may be set for any day of the SNF PPS stay, beyond the ARD of the 5-Day assessment
- Must be completed (item Z0500B) within 14 days after the ARD (ARD + 14 days)
- Authorizes payment for remainder of the PPS stay, beginning on the ARD
- Must be submitted electronically and accepted into the QIES ASAP system within 14 days after completion (item Z0500B) (completion + 14 days)
- The ARD for an IPA may not precede that of the 5-Day assessment
- May not be combined with any other assessments (PPS or OBRA)
Interim Performance Period

- During a Medicare Part A SNF stay, residents may have self-care limitations on admission. In addition, residents may be at risk of further functional decline during their stay in the SNF (GG-9).
- For the Interim Payment Assessment (A0310B=08), the assessment period for Section GG is the last 3 days (i.e., the ARD and two days prior). (GG-10)

Interim Performance Period

- **Interim Performance (Optional):** The Interim Payment Assessment (IPA) is an optional assessment that may be completed by providers in order to report a change in the resident’s PDPM classification. For Section GG on the IPA, providers will use the same 6-point scale and activity not attempted codes to complete the column “Interim Performance,” which will capture the interim functional performance of the resident. The ARD for the IPA is determined by the provider, and the assessment period is the last 3 days (i.e., the ARD and the 2 calendar days prior). It is important to note that the IPA changes payment beginning on the ARD and continues until the end of the Medicare Part A stay or until another IPA is completed. The IPA does not affect the variable per diem schedule.

RAI pre-release Manual page GG-13
PDPM

THE TRANSITION

Key Differences
IPA–VS- Transitional IPA

• **IPA**
  - Optional unscheduled PPS assessment
  - ARD is selected by the provider
  - Since optional, no provider penalty if not done
  - Payment starts on ARD
  - Will not reset the variable per diem

• **Transitional IPA**
  - Required PPS assessment for the transition from RUG-IV to PDPM
  - ARD must be scheduled between Oct. 1 - Oct. 7
  - Default for late transitional IPA, provider may become liable if missed
  - Payment starts Oct. 1
  - Variable per diem resets
Transition Variable Per Diem

- October 1 will be considered day 1 of the variable per diem schedule for all residents who started their Medicare stay prior to October 1
  - Adjusts the NTA component by 3.0 for days 1-3 of the Medicare stay
  - All residents transitioning from RUG-IV to PDPM, the NTA component will be adjusted by 3.0 for October 1, 2, and 3
  - No adjustments will be made for days 4-20
  - Starting on day 21, the reduction of 2% for the PT and OT components will begin
- The variable per diem will reset on October 1, 2019, regardless of where the resident is in his or her Medicare benefit days

Transition RUG-IV to PDPM

- The transition from RUG-IV to PDPM is a hard stop, which means there will be no overlap or transition period in which both systems operate at the same time
- RUG-IV will be used for billing all days in FY 2019, or up to and including September 30, 2019; while PDPM will be used to bill all days starting with FY 2020, or on and after October 1, 2019
### Transition RUG-IV to PDPM

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**RUG-IV**

**PDPM**

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CMS has not allowed any additional billing rules for Medicare admission during the last seven days of September.

- The short-stay payment policy will apply only if the resident meets all the required criteria prior to October 1, which includes the Medicare stay ending during the first eight days of the stay.
- The short-stay policy will not apply during or after the transition.
- The Medicare short-stay policy is a RUG-IV billing policy that is used to establish a Rehab RUG level for payment only, so it will **not** apply as of October 1.

- Under PDPM, therapy minutes are not used to establish the case-mix group, therefore eliminating the need for the short-stay payment policy.
Transition RUG-IV to PDPM

- A PDPM HIPPS code is required to bill for any Medicare days for all SNF Part A providers October 1, 2019 and after
- A “transitional” or “changeover” IPA is required with an ARD scheduled between October 1 and October 7, 2019 and will establish the HIPPS code for billing
- Transitional IPA will establish the PDPM case-mix groups and HIPPS codes
- Payment from the transitional IPA begins on October 1, 2019 regardless of the ARD selected
- Any “transitional IPAs” with an ARD after October 7, 2019, will be considered late and relevant penalty for late assessments would apply

Look-back Periods

- The look-back period for the transitional IPA may extend into September dates of services, depending on the ARD selected
- Plan to collect interim performance for section GG, as well as other new MDS items on the transitional IPAs

### RUG-IV

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- IPA ARD
- Resident Interviews

### PDPM
### Simple Transition
PDPM Scenarios

#### Transition RUG-IV to PDPM

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**RUG-IV**
- Sept. 22
- Admission

**5-Day**
- Oct. 1
- NTA x 3.0
- ARD
- Transitional IPA

**Transitional IPA ARD**
- Transitional IPA

- Variable per diem resets on 10/1, and the NTA is adjusted by 3.0
- Payment for transitional IPA begins 10/1 and continues through end of Medicare stay, unless another IPA is done
- RUG-IV 5-day on 9/29 will be used for payment for admission through 9/30
Expected OMRA in September
PDPM Scenarios

Transition RUG-IV to PDPM

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RUG-IV 30-day ARD of 9/22, RVB, COT check day on 9/29, RMB, COT required and controls payment 9/23-9/30

Payment for transitional IPA begins 10/1 and continues through end of Medicare stay, unless another IPA is done

Variable per diem resets on 10/1, and the NTA is adjusted by 3.0
### End of September Admissions

PDPM Scenarios

### Transition RUG-IV to PDPM

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**Short-stay payment policy does not apply**

RUG-IV 5-day on 9/30 will be used for payment for admission through 9/30.
Short-Stay Payment Policy

Medicare Short Stay Assessment Requirements: All 8 must be true
1. Must be SOT OMRA
2. 5-day assessment must be completed (may be combined with the SOT OMRA)
3. Must be Day 8 or earlier of Part A stay
4. Must be last day of Part A stay (see Item A2400C instructions)
5. Must be no more than 3 days after the start of therapy, not including the start of therapy date
6. Must have started in last 4 days of Part A stay
7. Must continue through last day of Part A stay RUG Requirement:
8. Must classify resident into a Rehabilitation Plus Extensive Services or Rehabilitation group Note: When the earliest start of therapy is 1st day of stay, then the Part A stay must be 4 days or less

Transition RUG-IV to PDPM

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- RUG-IV 5-day on 9/30 will be used for payment for admission through 9/30
- Payment for transitional IPA begins 10/1 and continues through end of Medicare stay, unless another IPA is done
- Variable per diem resets on 10/1, and the NTA is adjusted by 3.0
# Early October Discharge

**PDPM Scenarios**

## Transition RUG-IV to PDPM

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<td>29</td>
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<td>Oct. 1</td>
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**RUG-IV 5-day pays through day 14, 14-day controls payment day 15-20 (9/30)**

**Key Tip:**
Transitional ARD must be within 10/1-10/7 AND during Medicare stay.

**Variable per diem resets on 10/1 and the NTA is adjusted by 3.0**

**Payment for transitional IPA begins 10/1 and continues through end of Medicare stay. Day of discharge is not billed.**
Early October Discharge and Return Within Interruption Window

PDPM Scenarios

Transition RUG-IV to PDPM

SUN | MON | TUES | WED | THURS | FRI | SAT
--- | --- | --- | --- | --- | --- | ---
5-day RUB | | | | | | |
Sept. 22 | 8 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 1 | 2 | 3 | 4 | 5
5-day RUB | | | | | | |
29 | 15 | 30 | 16 | Oct. 1 | 2 | ARD Transitional IPA | 3 | Unplanned DC to Acute | Transient Disruptive Window
RUG-IV 5-day pays through day 14, 14-day controls payment day 15-16 (9/30)
Move ARD of transitional IPA to the day of discharge or earlier
Rationale: Unknown if resident will return during interruption window
Transition RUG-IV to PDPM

ARL of transition IPA can remain prior to DC, or can be moved out to day 5, 6, or 7

This is a new Medicare stay and will start with a new 5-Day
PDPM Transition

PAYMENT PENALTY AND PRESUMPTION OF COVERAGE

Transition RUG-IV to PDPM

Risk of Payment Penalty

- If the transitional IPA is set with an ARD after October 7, 2019, this will be considered out of compliance, and penalty payment for a late or missed assessment will apply
  - Default billing will be applied for the number of days the assessment is out of compliance, including the ARD
  - If facility staff fail to set the IPA assessment prior to the resident’s Medicare benefit ending, this will be considered a missed assessment and provider liability may occur
Transition RUG-IV to PDPM

Transition and Administrative Presumption of Coverage

- During the transition from RUG-IV to PDPM, any residents who admit prior to October 1, 2019, will require at least a 5-Day PPS assessment with an ARD on or before September 30, 2019, to bill for September days.
- The transitional IPA is required during the first seven days of October.
- The transitional IPA may not be used for presumption of coverage.
- Since administrative presumption of coverage applies only to the case-mix groups achieved on a timely 5-Day assessment, this policy cannot be transferred to the case-mix groups achieved on the transitional IPA.

STRATEGIES FOR A SUCCESSFUL TRANSITION
Transition Strategy

• Develop a plan before 10/1
  – Plan for data collection in the look-back periods
    • 10/1 ARD
      – 7-day look-back 9/25-10/1
      – 14-day look-back 9/18-10/1
    • Primary reason for SNF stay
    • Secondary diagnoses for Nursing, NTA, and SLP components
    • Wounds, infections, special treatments and procedures
    • Section GG interim performance data
    • Resident interviews

Transition Strategy

• Strategize ARD selections of transitional IPAs
  – Regardless of ARD will begin payment on 10/1
  – Spread out ARDs to reduce workload
  – Use the allowed 14-day completion period as needed to manage workload
Transition Strategy

• Double check before 10/7
  – Double check all ARDs are in place for residents who transitions on Medicare from September into October
  – Validate that primary diagnoses do not map to "return to provider"
    • Work with physician for more specified diagnoses as needed for billing
  – Ensure MDS team has completed resident interviews as appropriate

• Consider completing an expedited triple check
  – Completed a mini-billing review to validate all requirements of billing are in place
    • Physician certifications
    • Daily documentation supporting skilled services
    • Mets the technical and level of skilled care requirements
Resources

• Medicare Benefit Policy Manual Chapter 8

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

• MDS Items Sets for V1.17.1

• Pre-release RAI User’s Manual V1.17.1