

# PATIENT DRIVEN PAYMENT MODEL

Skilled Nursing Facility Providers



# Acronyms Described in this Presentation

- AIDS: Acquired Immune Deficiency Syndrome
- ARD: Assessment Reference Date
- BIMS: Brief Interview for Mental Status
- CMI: Case-mix Index
- CMS: Centers for Medicare and Medicaid Services
- COT: Change of Therapy
- CFS: Cognitive Function Scale
- CPS: Cognitive Performance Scale
- HIPPS: Health Insurance Prospective Payment System
- HIV: Human Immunodeficiency Virus
- ICD-10-CM: International Classification of Diseases, Tenth Revision, Clinical Modification
- IPA: Interim Payment Assessment
- MDS 3.0: Minimum Data Set, Version 3
- NF: Nursing Facility
- NTA: Non-Therapy Ancillary





# Acronyms Described in this Presentation

- OBRA: Omnibus Budget Reconciliation Act of 1987
- OMRA: Other Medicare-Required Assessment
- OSA: Optional State Assessment
- OT: Occupational Therapy
- PDPM: Patient Driven Payment Model
- PPS: Prospective Payment System
- PT: Physical Therapy
- RUG-IV: Resource Utilization Group, Version IV
- SLP: Speech Language Pathology
- SNF: Skilled Nursing Facility
- UPL: Upper Payment Limit
- VPD: Variable Per Diem



# Agenda

- Patient Driven Payment Model (PDPM) Overview
- Payment Groups
- Patient Classification Under PDPM
- PDPM Clinical Categories
- PDPM Components
- RUG-IV Components
- Functional Scores
- Payment for Patients with AIDS
- Interrupted Stay Policy
- Resources



# Patient Driven Payment Model (PDPM) Overview

The Patient Driven Payment Model (PDPM) is a new case-mix classification system for classifying skilled nursing facility (SNF) patients. Covered stays are calculated into payment groups under the SNF Prospective Payment System.

Beginning **10/1/2019**, PDPM will replace the current case-mix classification system, the Resource Utilization Group, Version IV (RUG-IV).

- This method will improve payments made under the SNF PPS in the following ways:
  - Improves payment accuracy and appropriateness by focusing on the patient, rather than the volume of services provided
  - Significantly reduces administrative burden on providers
  - Improves SNF payments to currently underserved beneficiaries without increasing total Medicare payments



# Payment Groups

The PDPM classification methodology utilizes a combination of six payment components to derive payment. Five of the components are case-mix adjusted to cover utilization of SNF resources that vary according to patient characteristics.

- There is also an additional non-case-mix adjusted component to address utilization of SNF resources that do not vary by patient. Different patient characteristics are used to determine a patient's classification into a case-mix group (CMG) within each of the case-mix adjusted payment components.
- The payment for each component is calculated by multiplying the case-mix index (CMI) that corresponds to the patient's CMG by the wage adjusted component base payment rate, then by the specific day in the variable per diem adjustment schedule when applicable. The payments for each component are then added together along with the non-case-mix component payment rate to create a patient's total SNF PPS per diem rate under the PDPM.



# PDPM Patient Classification

Each patient is classified into a group for each of the five case-mix adjusted components: Physical Therapy, Occupational Therapy, SLP, Nursing and Non-Therapy Ancillary.

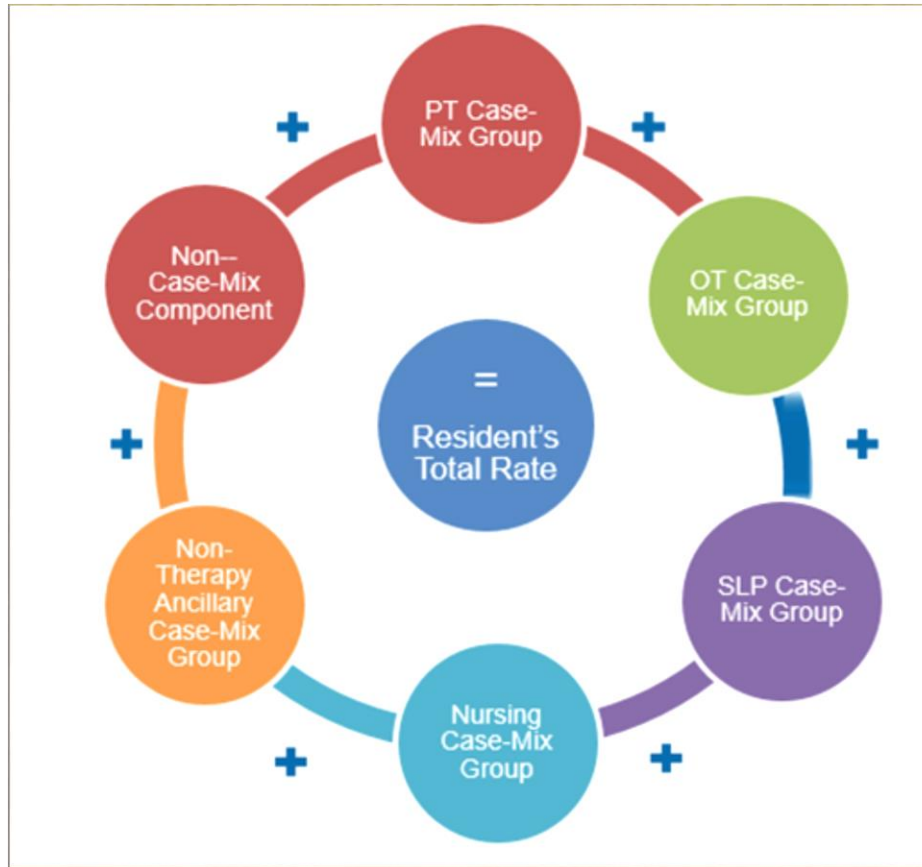
- The first position represents the Physical and Occupational Therapy case-mix group
- The second position represents the Speech-Language Pathology case-mix group
- The third character represents the nursing case-mix group
- The fourth character represents the Non-Therapy Ancillary case-mix group
- The fifth character represents the AI code

See illustration on next page:





# PDPM Patient Classification (continued)



# PDPM Clinical Categories

- SNF patients are first classified into a clinical category based on the primary diagnosis for the SNF stay
- To determine a resident's clinical category, use the clinical map and follow the instructions: ICD-10 clinical mapping available on the [PDPM](#) webpage

PDPM Clinical Categories	
Major Joint Replacement or Spinal Surgery	Cancer
Non-Surgical Orthopedic/Musculoskeletal	Pulmonary
Orthopedic – Surgical Extremities not Major Joint	Cardiovascular and Coagulations
Acute Infections	Acute Neurologic
Medical Management	Non-Orthopedic Surgery



# PDPM Clinical Categories (continued)

- Understanding PDPM Clinical Categories

Primary Diagnosis (from ICD-10 Mapping to Clinical Category)	Proceed to Final Category	Final Category
Major Joint Replacement or Spinal Surgery	Only one category conversion	Major Joint Replacement or Spinal Surgery
Non-Surgical Orthopedic/Musculoskeletal and Orthopedic – Surgical Extremities not Major Joint	2 categories convert to one final category	Other Orthopedic
Acute Infections, Cardiovascular and Coagulation, Pulmonary, Cancer and Medical Management	5 categories convert to one final category	Medical Management
Non-orthopedic surgery and Acute Neurologic	2 categories convert to one final category	Non-Orthopedic Surgery and Acute Neurologic



# PDPM Components

- PDPM consists of five case-mix adjusted components, all based on data-driven, stakeholder-vetted patient characteristics:
  - Physical Therapy (PT)
  - Occupational Therapy (OT)
  - Speech Language Pathology (SLP)
  - Nursing
  - NTA
- PDPM also includes a “Variable Per Diem (VPD) adjustment” that adjusts the per diem rate over the course of the stay



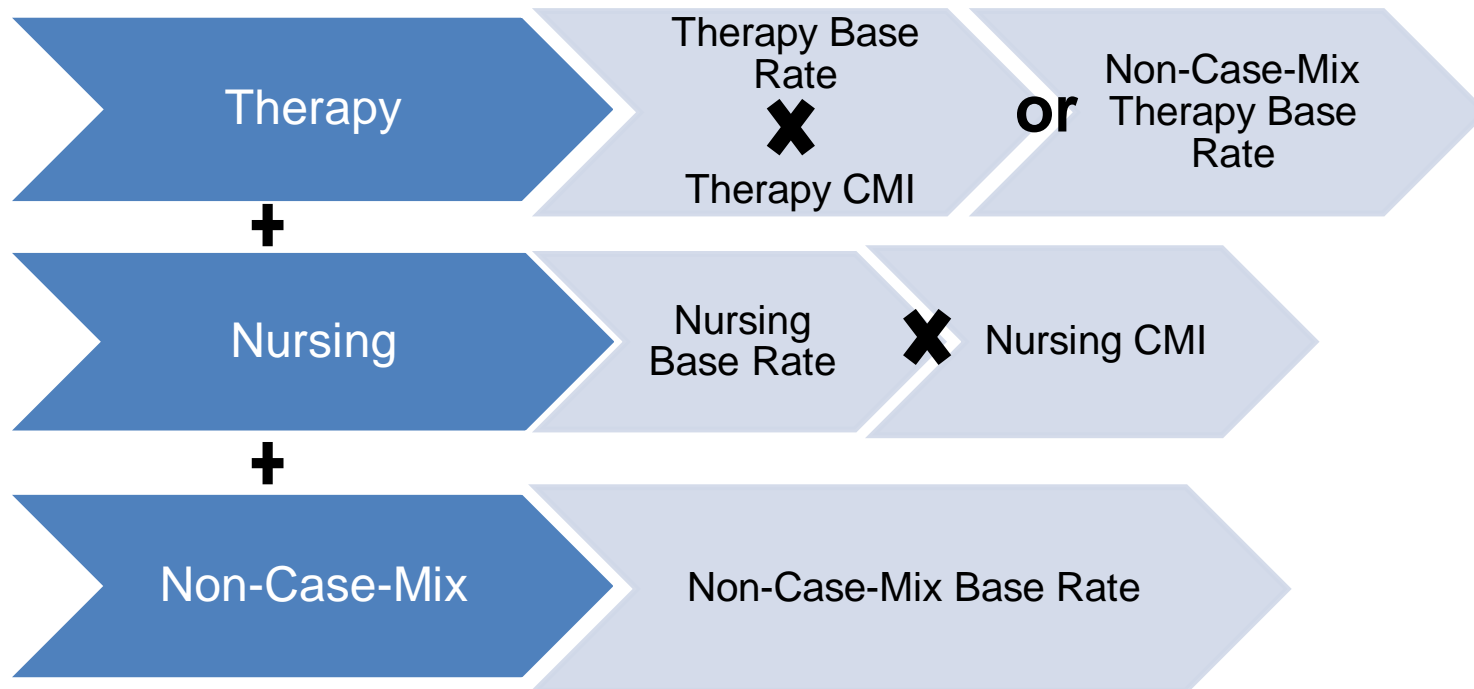
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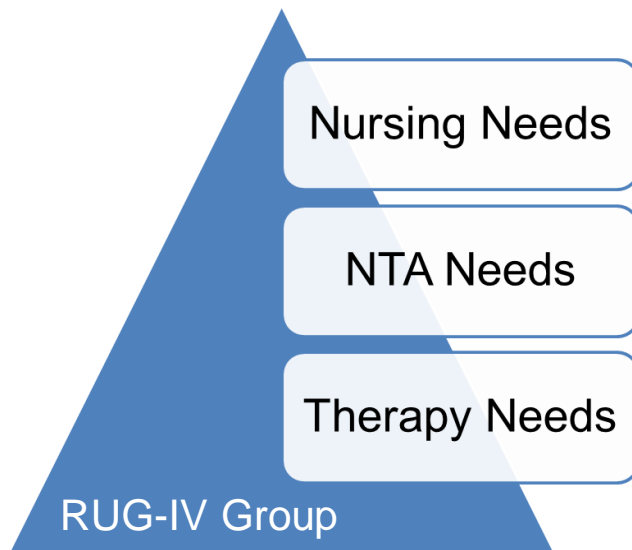
# RUG-IV Components

- RUG-IV consists of two case-mix adjusted components:
  - Therapy (based on volume of services)
  - Nursing



# RUG-IV vs. PDPM

- RUG-IV (left) focuses on a single, typically volume-driven, case-mix group
- PDPM (right) focuses on distinctive, individualized needs, characteristics, and goals of each patient



VS



## Physical Therapy (PT) & Occupational Therapy (OT) Functional Scores

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	0 – 4
GG0170J1 – Mobility: Walk 50 feet with 2 turns	0 – 4
GG0170K1 – Mobility: Walk 150 feet	(average of 2 items)





# PDPM Payments for SNF Patients with HIV/AIDS

- Residents with AIDS are assigned the highest point value (8 points) of any condition or service for purposes of classification under the PDPM's NTA component
- RUG-IV model will include an AIDS diagnosis, through the SNF's entry of ICD-10-CM code B20 on the claim
- Receive an 18% add-on to the nursing component of the payment



# Interrupted Stay Policy

- PDPM includes an interrupted stay policy, similar to that which exists in the Inpatient Rehabilitation Facility (IRF) PPS and the Inpatient PPS (IPPS). Specifically, if a patient in a covered Part A SNF stay is discharged from the SNF but returns to the same SNF no more than three consecutive calendar days after having been discharged, then this would be considered a continuation of the same SNF stay:
  - New patient assessments are not required
  - Variable per diem adjustment is not reset

If the patient returns to the same SNF after the 3-day window, or returns to a different SNF, then this would be considered a new PPS stay. The interrupted stay would be recorded on the claim in the same manner as is done for the IRF PPS and IPPS.





- **ICD-10 clinical mapping** available on the [PDPM](#) webpage
- **PDPM Base Rates** are available at [PDPM Base Rates](#)
- **STAR+PLUS** - <https://www.cigna.com/starplus/health-care-professionals/> → Nursing Facility
- **MMP CarePlan** - <https://www.cigna.com/sites/careplantx/health-care-providers/> → Nursing Facility
- **Provider Services** - 1-877-653-0331
- **Provider Relations Central** - [ProviderRelationsCentral@cigna.com](mailto:ProviderRelationsCentral@cigna.com)  
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