

## INTRO TO PDGM FAQs

### What is PDGM?

- PDGM is a reimbursement model that focuses on patient needs and clinical characteristics rather than volume of services provided.
- Implements a 30-day payment period inside a 60-day certification period.
- There are four categories a patient will be sorted into to determine the HHRG for each 30-day payment period.
- This creates 432 different case-mix groups.

### Can I opt out of the PDGM reimbursement model?

No. All federal home health reimbursement will be based on this methodology.

### When does it begin?

CMS expects PDGM to begin on 1/1/2020. CMS will more closely examine that timeline as the date approaches.

### How will episodes be paid now that therapy visits no longer contribute to the reimbursement?

There are four categories a patient will be sorted into to determine the HHRG for each 30-day payment period.

- Admission Source and Timing
- Clinical Grouping
- Functional Impairment Level
- Comorbidity Adjustment

### How does the 30-day billing period affect the 60-day certification period?

- Each 60-day episode will have two 30-day payment periods.
- OASIS timing is not affected by the 30-day payment period.
- Episode timing and admission source can change for each 30-day period:
  - First 30-day period = Early; Each subsequent 30-day period = Late
  - Institutional admission source = admission within 14 days of each 30-day period. Community admission source = the patient had no admission within 14 days of each 30-day period.

### What are the admission sources and how do they affect payment?

Each 30-day period of payment will be designated as institutional or community:

- Institutional = patient had an institutional admission within 14 days of the 30-day period
- Community = patient did not have an institutional admission within 14 days of the 30-day period
- The grouper tool reimburses episodes that are designated as institutional at a greater rate than community episodes.

**Questions about this information? Contact [AskAtHome@AegisTherapies.com](mailto:AskAtHome@AegisTherapies.com) or visit our Resource Center for more information at [AegisTherapies.com/Resources](https://www.AegisTherapies.com/Resources).**

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### What OASIS items are included in determining the Functional Impairment Level grouping?

- M1800 Grooming
- M1810 Current Ability to Dress Upper Body
- M1820 Current Ability to Dress Lower Body
- M1830 Bathing
- M1840 Toilet Transferring
- M1850 Transferring
- M1860 Ambulation
- M1033 Risk of Hospitalization (at least four responses checked, excluding responses #8, #9, and #10).

### How do comorbidities affect payment?

PDGM includes a comorbidity adjustment to allow for increased resource use for those patients who have comorbidities that will affect treatment.

- **None:** indicating no comorbidities
- **Low:** there is a secondary diagnosis that falls within one of the designated specific comorbidity subgroups
- **High:** there are two or more secondary diagnoses that fall within a subgroup interaction

### How are LUPAs calculated in PDGM?

- Each 30-day unit of payment will have a LUPA threshold.
- LUPAs are variable for each of the 432 case-mix categories.
- They range from 2-6 visits.

### Where do I find the PDGM Grouper tools?

It can be found here: <https://www.cms.gov/Center/Provider-Type/Home-Health-Agency-HHA-Center.html>

### What behavioral assumptions will CMS be making in the PDGM reimbursement methodology?

CMS is bound by the BBA of 2018 to make behavioral assumptions regarding provider's implementation of PDGM

- Clinical Grouping: CMS expects HHAs will change their documentation and coding practices to have 30-day periods be placed in a higher paying clinical group.
- Comorbidity Coding: CMS expects that by taking into consideration the additional ICD-10 codes allowed in the claim for secondary diagnosis coding, more 30-day periods of care will receive a comorbidity adjustment than if it only OASIS diagnosis codes for payment are used.
- LUPA Thresholds: CMS is assuming agencies will provide 1-2 extra visits to receive a full 30-day payment and avoid the LUPA payment.

### What does "budget neutral implementation" mean?

CMS will expect to pay essentially the same dollar amount for care. However, that doesn't mean that each HHA will receive the same or similar dollar amount for each episode of care.

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