Patient-Driven Groupings Model (PDGM)

What you need to know

Netsmart

SIMPLE. PERSONAL. POWERFUL.

What is PDGM?

As one of the most significant updates to PPS since 2000, the CMS approach to the Patient-Driven Groupings Model (PDGM) focuses on providing a higher quality of care, keeping individuals in the best acuity setting possible and reducing unnecessary treatment and services. A successor of the proposed Home Health Groupings Model (HHGM), PDGM introduces new payment episode timings and removes therapy visits to determine payment for episodes beginning on or after Jan. 1, 2020.

What does PDGM mean for your organization?

PDGM implements a budget-neutral payment approach, shifting payment for home health organizations, reimbursing more for clinically complex patients and less for therapy-intensive patients. The adjustment better aligns payments with patient needs, ensuring that clinically complex and ill beneficiaries have adequate access to home health.

Under PDGM, a 30-day period is grouped into one subcategory in each of the following areas:
- Admission source and timing from claims
- Clinical grouping from the principal diagnosis reported on the claim
- Functional level of eight OASIS items
- Comorbidity adjustment based on claims

What should your organization consider to prepare?

Organizations that prepare before the Jan. 1, 2020 target date will find themselves to be better positioned to transition to PDGM. To determine if your organization and its operations are ready for payment changes, take the following into consideration:
- Create an internal committee with representatives of all affected departments that are responsible for developing an overall plan for your organization.
- Establish a baseline by running claims through a grouper and compare your current reimbursement to the new PDGM to determine how it will impact your organization financially.

- Make sure that episodes are connected to a clinical grouping to avoid any returned claims from CMS.
- Examine your frontloading practices in care delivery management. Consider developing care transition programs.
- Ensure your EHR has the capabilities to track and report visit frequencies by clinical groups and subgroups.
- Determine the strength of your coding process and resources, following ICD-10.
- Conduct targeted OASIS education so that your clinicians understand the cause and effect.

Once you have determined your organizational needs, document them and share with your EHR partner. Remember to keep a pulse on their updates to help accommodate your PDGM needs.

Impact on home health care operations

Cost reporting: Accurate cost reporting preparation will be extremely important for reimbursement.

Managing care: Oversight and management of the delivery of rehab services are required to provide the right level of service and care based on the patient needs.

Reimbursement: Rehab reimbursement will shift to nursing reimbursement for the quality of care provided.

Staffing: Organizations must ensure they have the appropriate qualified staff to support the changes in patient care and the increased frequency of billing.

Information technology and services: Additional solutions may be especially appealing, such as telemonitoring, document management, additional interfaces to eliminate workarounds and resource management services to augment your billing staff.
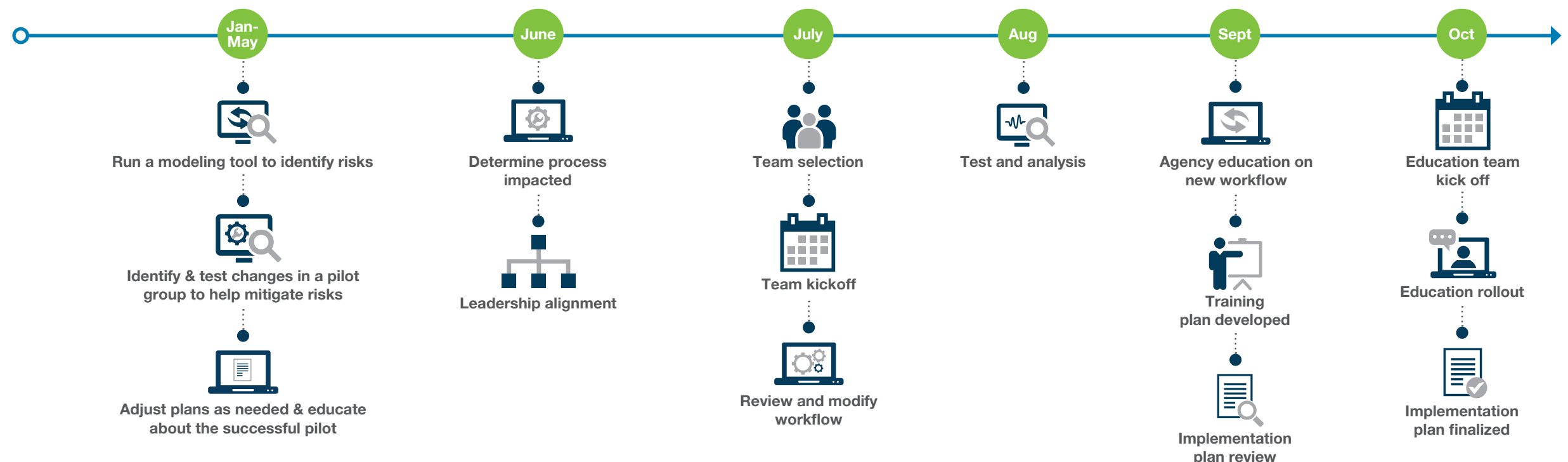
The Netsmart approach to PDGM

As a technology leader in the post-acute industry, Netsmart can help reduce risk, assist in lowering cost, improve outcomes and ease adoption of the PDGM regulatory change. We are highly focused and dedicated to ensuring our solutions are ready for this change. Our clients can count on us to provide direction on adopting and transitioning to the new rules.

Explore the timeline below of agency processes you may wish to consider as you plan for PDGM when it goes into effect Jan. 1, 2020.

Target dates to consider

As your agency creates your plan to operationalize PDGM, these milestone dates will help ensure your success by January 1, 2020.

Jan-May
- Run a modeling tool to identify risks
- Identify & test changes in a pilot group to help mitigate risks
- Adjust plans as needed & educate about the successful pilot

June
- Determine process impacted
- Leadership alignment

July
- Team selection
- Team kickoff
- Review and modify workflow

Aug
- Test and analysis

Sept
- Agency education on new workflow
- Training plan developed
- Implementation plan review

Oct
- Education team kick off
- Education rollout
- Implementation plan finalized

Netsmart

Your PDGM
regulatory partner

www.ntst.com/pdgm

As your organization navigates these new
requirements, explore our library of resources
to keep you up to date on all the latest related
to PDGM.

Available resources include:

⦿ Regulatory updates

⦿ Whitepapers/articles/infographics

⦿ Education videos

⦿ Webinars

Netsmart