

## Industry Feedback on Therapy Under PDGM

HEALTHPRO® HERITAGE  
at Home

HealthPRO® Heritage at Home partnered with the National Association for Home Care and Hospice (NAHC) to conduct a survey of home health providers to gather industry feedback on therapy utilization under PDGM. HealthPRO® Heritage co-sponsored the survey as part of its ongoing effort to bring strategies and solutions to agencies as they prepare for PDGM. Roughly 500 respondents completed the survey and were made up of representatives in every state from freestanding, institutional, health system and government based agencies from both for and not-for profit settings.

PDGM begins January 1, 2020 as a patient needs driven model that is intended to be budget neutral from the current prospective payment system by redistributing payment based upon the diagnostically determined care needs of the patient. The redistribution generally favors higher reimbursement for more clinically complex patients. Two features of the new payment model that significantly differ from prospective payment are 30 day payment periods and the inclusion therapy as part of the entire case rather than as separate cost center in the determination of reimbursement.

### For therapy utilization under PDGM:

- The larger agencies are more likely the ability to absorb payment changes under PDGM. Larger agencies have more stability due to case-mix balance and typically have a well-run therapy program that manages utilization to achieve positive outcomes and prevent re-hospitalizations. As a result, larger agencies are not anticipating a significant reduction in therapy.
- Nearly a third of smaller agencies responded they are in a process of evaluating their action plan in part because payment determination by case is still very much under review. These agencies are taking a hard look at their case-mix, coding, and exploring the impact of caseload diversification and the inclusion of therapy.

### Contracting versus In-House Therapy:

- Agencies that currently employ therapists, especially larger agencies, do not project a significant reduction in therapy staffing.

- Of agencies whose therapy needs are met through contract therapy, roughly 60% indicated they may need to entertain a reduction.

This response presents a significant opportunity for contract therapy providers to impact these perceptions NOW, well before PDGM takes effect. To date, therapy has been most heavily associated with a more limited range of diagnostic groups. Orthopedic and neurological diagnoses are often the seen as predominantly therapy cases. Over time, this has had an impact on the perceived role and value of therapy. An immediate focus of therapy providers should be to educate agencies on the full value of therapy across all diagnostic groups. Articulating therapy's role and impact on re-hospitalizations, outcomes and an interdisciplinary approach are all meaningful contributions to true patient management of more complex cases.

### **Payment Models for Therapy**

When queried about payment models for contract therapy, a third did not see making any change and another third are still evaluating payment models. The opportunity for therapy providers is to engage with agencies about the value of therapy and while ensuring all service delivery processes are top notch, is essential. Attention to documentation, communication, participation in care planning and all other elements of interdisciplinary care are critical to agency operations.

### **Therapy Utilization Determinants**

The two primary determinates of utilization were reported as, 1.) determined by the therapist, and 2.) OASIS Functional Scoring results. The third determinant was evidence based Clinical Pathways. For therapy providers, there has been a strong past alliance with clinical pathways for orthopedics and neurological conditions. The need and the opportunity going forward under PDGM is to create therapy pathways that contribute to the interdisciplinary planning across all clinical groupings. Therapy's role in the care of patients with chronic disease needs to be evident to providers and care pathways are the mechanism to accomplish this.

### **Summarizing top takeaways from the survey are**

- Therapy remains critical to ensure functional gains and outcomes
- PDGM rates are inclusive and assume therapy utilization as clinically indicated
- Large swings in therapy utilization will flag audit activity
- Care coordination remains critical – now can impact reimbursement
- Technology is being considered
- Many agencies have not developed a strategy

HealthPRO® Heritage's focus in on providing resources, education, and support to home health agencies preparing for PDGM.

For more information about how we can help you navigate PDGM or our innovative programming contact us at: [homehealth@healthpro-heritage.com](mailto:homehealth@healthpro-heritage.com)