



If the 2019 proposed rule is finalized, which we anticipate is likely, it will cement the shift in Medicare's payment system from a prospective payment system to value based purchasing model. With these mega changes it can feel like a daunting task to provide clinical excellence while maintaining a profit, thus it will be paramount that detailed analysis and strategies be developed to ensure that we keep patient care as our number one priority.

Following a thorough review of the 599-page "Proposed Rule", HealthPRO® Heritage experts offer the following highlights on the PDGM section of the rule:

Proposes Medicare Payment Reform under a new name: "Patient-Driven Groupings Model," or PDGM.

1. PDGM includes a change in the unit of payment from **60 day episodes of care to 30-day periods of care**. The first 30-day period is classified as an early episode. All subsequent 30-day periods in the sequence (second or later) are classified as late.
2. This rule proposes case-mix methodology refinements, which eliminate the use of therapy thresholds for case-mix adjustment and therefore removes the necessity of therapy being provided for providers to receive payment.
3. Proposes requirements of a 30-day periods of care that is subject to a Low-Utilization Payment Adjustment (LUPA).
4. The overall economic impact of the proposed case-mix adjustment methodology changes, including a change in the unit of service from 60 to 30 days, for CY 2020 results in no estimated dollar impact to HHAs, thus it is being deemed a **budget neutral**.

5. The comprehensive assessment requirement remains the same and would still be completed within 5 days of the start of care date and completed no less frequently than during the last 5 days of every 60 days beginning with the start of care date.
6. In order to determine each patients' HHRG each patient would:
 - a. Be classified into one of two admission source categories —community or institutional— depending on what healthcare setting was utilized in the 14 days prior to home health. Proposed that 30-day periods for beneficiaries with any inpatient acute care hospitalizations, skilled nursing facility (SNF) stays, inpatient rehabilitation facility (IRF) stays, or long term care hospital (LTCH) stays within the 14 days prior to a home health admission would be designated as institutional admissions. Proposing that the institutional admission source category would also include patients that had an acute care hospital stay during a previous 30-day period of care and within 14 days prior to the subsequent,
 - b. Patients would then be placed into one of 6 clinical groups: Musculoskeletal Rehabilitation, Neuro/Stroke Rehabilitation, Wounds- Post-Op Wound Aftercare and Skin/Non-Surgical Wound Care, Complex Nursing Interventions, Behavioral Health Care (including Substance Use Disorders), Medication Management, Teaching and Assessment (MMTA).
 - c. Next they are assigned a Functional Level similar to current operations
 - d. Lastly they are assigned a Comorbidity Adjustment
7. CMS will provide **upon request** a Home Health Claims-OASIS LDS file in order to replicate and model the effects of the PDGM on HHAs, which we advise providers utilize to assess potential impact.
8. Therapy will likely play an integral part of the plan of care for a patient in any of the six clinical groupings.

One of the primary goals of the proposed payment reform is to align quality clinical and patient satisfaction scores with cost of care provided. The industry as a whole will be asked to replace providing care in units of time with providing care in units of value that are aligned with the clinical presentation of our patients.

HealthPRO® Heritage Guidance

HealthPRO® Heritage management teams and clinicians have a strong background in evidenced based practice and this background lends itself to expertise to successfully navigate the waters of payment reform while proving that the interventions that we employ on our patients are the most effective and efficient to achieve the outcomes your agency desires.

HealthPRO® Heritage has been preparing for several years for this shift! To be successful we believe it is critical that we work together to prepare now. The future of home healthcare is promising and we believe that our ability to assimilate these proposed changes and stay focused has put our organization and our clients in an optimal position to excel under the proposed payment model.