



## For Outcomes Excellence Under PDGM, Embrace Therapy

Inclusion of therapy in an interdisciplinary care plan under PDGM represents one of the greatest opportunities to impact patient outcomes and patient satisfaction.

### What's to Come?

When PDGM takes effect January 1, 2020, home health providers will begin navigating in earnest the vast changes the Centers for Medicare & Medicaid Services (CMS) is bringing to reimbursement. Among those changes are payment for therapy services.

- Under the current PPS reimbursement model, therapy utilization is a service add-on.
- Under PDGM, Medicare will no longer reimburse for therapy utilization alone as a payment rate determinant.

Instead, providers will receive a bundled payment for all services which can then be allocated, as they see fit, based on patient needs. **The new model takes an interdisciplinary, patient-need driven payment approach to the home health benefit.**

Under PDGM, CMS has identified 432 different clinical groupings to categorize patients for reimbursement. What home health agencies need is a framework that reverse engineers these groupings by providing an analytical approach to care delivery that meets the patient's needs.

**HealthPRO® Heritage has created such a framework:** Our [Care Pathways to Success](#) is a proprietary calculator and clinical best practice tool for determining therapy utilization. As a care planning solution that delivers on both care and cost management, the *Care Pathways to Success* results in a triple-win:

1. Patient receives appropriate care
2. Home health provider achieves positive outcomes
3. Health system at large benefits from utilization that is in line with patient needs

Gross margins under *Care Pathways to Success* have been in line with best-in-class industry benchmarks. Those are significant margins: [A survey conducted by BKD CPAs & Advisors and Strategic Healthcare Programs\\*](#) showed that gross margins for the best 25% of home health providers were 54%.

The above blog post is an excerpt from the December 18, 2019 article [“Embrace Therapy Under PDGM for Outcomes Excellence”](#) written by Home Health Care News in partnership with HealthPRO® Heritage.

*\* BKD/SHP presented results of its Benchmark Leader Survey at the National Association for Home Care & Hospice (NAHC) Conference and Expo in October 2019.*