

SPECIAL eBULLETIN

FOR FACILITY PROVIDERS

January 9, 2020

HIGHMARK PATIENT DRIVEN GROUPEL MODEL FOR HOME HEALTH AGENCIES

Effective **January 1, 2020**, The Centers for Medicare and Medicaid Services (CMS) replaced its Prospective Payment Systems (PPS) pricing methodology with the Patient Driven Grouper Model (PDGM).

The PDGM relies more heavily on clinical characteristics and other patient information to place home health periods of care into meaningful payment categories, and eliminates the use of therapy service thresholds. In conjunction with the implementation of the PDGM, there will be a change in the unit of home health payment from a 60-day episode to a 30-day period.

- *New payment episode timings:* The PDGM will break up the standard 60-day episode of care into one of two 30-day periods. That means that a 30-day period will be implemented as a basis for payment vs. the 60-day period used now. Each 30-day period is grouped into one of 12 clinical categories based on the patient's main diagnosis.
- *Payment groupings:* PDGM will increase the number of payment groupings and unique case-mix potential from 153 to 432. PPS allowed for 153 combinations, but with PDGM each 30-day period can be categorized into one of 432 case-mix groups.
- *Elimination of therapy thresholds:* PDGM will eliminate therapy thresholds as a primary determinant of reimbursement, so therapy visits will no longer be the main determinant of reimbursement. The number of therapy visits will no longer impact the case-mix weight.

Applies to: Fee-for-Service Contracted Home Health Providers

How This Affects Providers

There will be no immediate impact to the way in which you currently submit claims for your Highmark Medicare Advantage members. Likewise, there will be no impact to current claims reimbursement.

Highmark's decision to continue with the existing fee-for-service methodology was driven by the uncertainty around PDGM and its impacts on claims and current pay-for-value programming. Continuing with fee-for-service will ensure continued consistency around claims reporting and provider payment.

Next Steps

Highmark will monitor the effects of PDGM deployment in the market, as well as other alternative reimbursement methodologies, for potential implementation at a later date. Such changes will be announced via advance communication in accordance with the contract.

The information contained here is based on the current information available from CMS and are subject to change based on the final ruling announcement of the PDGM.

