

# SPECIAL eBULLETIN

**FOR FACILITY PROVIDERS**

**OCTOBER 1, 2020**

*ATTN: SKILLED NURSING FACILITIES*

## **PARTICIPATING SKILLED NURSING FACILITIES TO REMAIN ON RUGS THROUGH 2021**

On October 1, 2019, the Centers for Medicare & Medicaid Services (CMS) replaced the Resource Utilization Group (RUG) pricing methodology with the Patient Driven Payment Model (PDPM).

The PDPM is a new case-mix classification system for classifying skilled nursing facility (SNF) patients in a Medicare Part A covered stay into payment groups under the SNF Prospective Payment System. The new methodology, which focuses more on clinical presentation and less on volume of services delivered, represents a fundamental change to the method CMS had utilized to reimburse skilled nursing facilities.

Highmark has made a decision to NOT adopt the new reimbursement methodology for its participating Medicare Advantage providers. Instead, Highmark will maintain current RUGs-based methodology for Calendar Year 2021.

### **HOW THIS IMPACTS YOU**

For network participating 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.

However, if you are NOT participating with any of the Medicare Advantage products, you will be required to submit claims for those members in the PDPM format, using the applicable Health Insurance Prospective Payment System (HIPPS) codes. Claims for these members will be processed and paid according to PDPM processing and pricing rules established by CMS.

### **EXAMPLES**

#### **Scenario 1:**

- SNF A participates with Security Blue and Freedom Blue products.
- SNF A should submit claims for their patients enrolled in Security Blue and Freedom Blue products using the RUG Reimbursement Methodology (i.e., using RUGs HIPPS codes).
- SNF A does not participate in any Community Blue Medicare products.
- SNF A should submit claims for their patients enrolled in Community Blue Medicare products using the PDPM Reimbursement Methodology (i.e., using PDPM HIPPS codes).



## **Scenario 2:**

- SNF B participates with Security Blue, Freedom Blue, and Community Blue Medicare products.
- SNF B should continue to submit claims for their patients using the RUG Reimbursement Methodology (i.e., using RUGs HIPPS codes).

## **NEXT STEPS**

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

Highmark will monitor the effects of PDPM 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.