

**SHP**  
STRATEGIC HEALTHCARE PROGRAMS

# PDGM – Lessons Learned from 2020

Winning Wednesday Webinar Series

**Zeb Clayton**  
VP of Client Services

**Chris Attaya**  
VP of Product Strategy

---

---

---

---

---

---

---

---

## Enhancing Your Webinar Experience

Click the red arrow on the upper left to hide the GoToWebinar control panel

To access the audio portion of the webinar, use your computer speakers or call the number shown in the "Audio" section of the GoToWebinar control panel

Make sure the volume on your speakers or phone is turned up as high as necessary

If you call in to the webinar and experience poor audio quality, please try hanging up and calling in again

Use the "Questions" section of the GoToWebinar Control Panel to submit any questions you have during the webinar

Expand the "Handouts" section to download any relevant webinar materials

All presentations are recorded, so if you have technical problems, all is not lost!

**SHP**

---

---

---

---

---

---

---

---

## Objectives

- ▶ Evaluate what we know so far about the impacts of PDGM
- ▶ Recognize how COVID-19 is impacting PDGM results in 2020
- ▶ Discuss potential changes we might see in 2021

**SHP**

---

---

---

---

---

---

---

---

# Evaluate what we know so far about the impacts of PDGM




---

---

---

---

---

---

---

---

## Benchmarking Data

- ▶ Based on PDGM 30-Day Periods (as of Mar 19<sup>th</sup> 2021)
- ▶ Based on SHP National Database with CY'20 Period Start Dates (Jan – Dec '20) for Medicare Traditional patients
- ▶ Comparisons to CMS '20 Final Rule projections which were based on CY 2018 Claims data (paid through July 31, 2019)
- ▶ Based on later of either Final Claims or OASIS
- ▶ QE's are not included
- ▶ Claims (LUPA rates and Visits) data based on Jan – Dec '20
- ▶ COVID-19 is impacting the PDGM Transition




---

---

---

---

---

---

---

---

## PDGM Components - National

Clinical Group	CY 2018		CY 2020		SHP CY 2020			
	CMS	SHP			Q1	Q2	Q3	Q4
MMTA - Other	3.0%	3.1%			2.9%	3.0%	3.3%	3.2%
Neuro / Stroke Rehab	10.2%	10.7%			10.5%	10.4%	11.0%	10.8%
Wounds	11.9%	14.9%			13.8%	15.4%	15.1%	15.0%
Complex Nursing	4.4%	4.0%			3.5%	4.5%	4.1%	3.9%
Musculoskeletal Rehab	14.8%	16.9%			15.4%	17.0%	15.5%	15.8%
Behavioral Health	3.1%	2.8%			2.7%	2.8%	2.8%	2.7%
MMTA - Surgical Aftercare	3.4%	4.1%			4.3%	3.9%	4.2%	4.2%
MMTA - Cardiac / Circulatory	21.9%	17.3%			17.7%	18.2%	16.9%	16.4%
MMTA - Endocrine	7.1%	5.6%			5.2%	5.8%	5.8%	5.6%
MMTA - GI / GU	4.1%	5.0%			5.0%	5.1%	5.0%	5.0%
MMTA - Infectious Disease	3.8%	5.2%			5.3%	5.3%	5.2%	5.1%
MMTA - Respiratory	8.3%	8.4%			9.3%	8.6%	7.1%	8.7%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>			<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

Source: SHP 30-Day Period Starts Jan '20 - Dec '20




---

---

---

---

---

---

---

---





### Case-Mix Weight – CMS Region (Non-LUPA)

Clinical Group	Medicare Region									
	Region I - New England	Region II - Northeast	Region III - East	Region IV - South	Region V - Central	Region VI - Southwest	Region VII - Midwest	Region VIII - Mountain	Region IX - West	Region X - Northwest
MMTA - Other	1.035	1.109	1.059	0.982	1.050	0.913	1.043	0.996	0.996	1.013
Neuro / Stroke	1.181	1.266	1.218	1.156	1.211	1.118	1.217	1.147	1.178	1.184
Wounds	1.182	1.151	1.211	1.195	1.196	1.174	1.217	1.165	1.202	1.211
Complex Nursing	0.868	0.885	0.862	0.870	0.866	0.848	0.870	0.830	0.873	0.857
MS Rehabilitation	1.174	1.246	1.182	1.126	1.181	1.082	1.176	1.145	1.143	1.125
Behavioral Health	0.924	0.929	0.943	0.928	0.919	0.902	0.911	0.905	0.904	0.914
MMTA - Surgical Aftercare	1.073	1.142	1.087	1.059	1.082	1.039	1.093	1.071	1.070	1.066
MMTA - Cardiac / Circulatory	1.011	1.114	1.050	0.938	1.014	0.853	1.026	0.987	0.978	1.018
MMTA - Endocrine	1.000	1.100	1.088	1.055	1.029	0.978	1.081	1.039	1.068	1.032
MMTA - GI / GU	1.025	1.081	1.037	0.980	1.026	0.918	1.042	0.994	1.007	1.016
MMTA - Infectious Disease	0.991	1.081	1.055	0.982	1.041	0.916	1.052	1.056	1.020	1.029
MMTA - Respiratory	1.048	1.130	1.066	0.984	1.060	0.950	1.083	1.052	1.038	1.042
<b>Overall</b>	<b>1.094</b>	<b>1.182</b>	<b>1.114</b>	<b>1.052</b>	<b>1.104</b>	<b>0.981</b>	<b>1.117</b>	<b>1.077</b>	<b>1.082</b>	<b>1.094</b>

Source: SHP 30-Day Period Claims Billed Jan '20 - Dec '20



### LUPA Rates

- ▶ Rates based on Period Sequence – Overall Rate = 9.1%
- ▶ Nuances of Period LUPA rates if Stay ends in that Period

Clinical Group	Period 1	Period 2	Period 3	Period 4	Period 5 +
Behavioral Health	9.2%	9.7%	4.7%	6.7%	8.3%
Complex Nursing	11.4%	12.8%	21.0%	14.3%	24.2%
MMTA - Cardiac	9.7%	9.7%	3.9%	6.7%	4.0%
MMTA - Endocrine	9.8%	15.0%	6.7%	10.7%	6.2%
MMTA - GI / GU	9.2%	10.5%	6.7%	8.2%	11.1%
MMTA - Infectious	8.8%	10.4%	6.6%	8.4%	13.6%
MMTA - Other	9.3%	10.1%	4.1%	6.6%	6.4%
MMTA - Respiratory	9.9%	10.4%	3.9%	6.9%	5.9%
MMTA - Surg After	10.5%	13.9%	4.2%	8.6%	4.1%
MS Rehab	10.2%	9.8%	2.6%	7.1%	3.4%
Neuro Rehab	10.5%	9.4%	3.6%	7.0%	5.6%
Wounds	9.3%	12.7%	5.6%	9.1%	5.1%
<b>Overall</b>	<b>9.9%</b>	<b>10.7%</b>	<b>5.0%</b>	<b>8.0%</b>	<b>7.8%</b>

Source: SHP 30-Day Period Claims Billed Jan '20 - Dec '20



### LUPA Rates – CMS Region

Clinical Group	Medicare Region									
	Region I - New England	Region II - Northeast	Region III - East	Region IV - South	Region V - Central	Region VI - Southwest	Region VII - Midwest	Region VIII - Mountain	Region IX - West	Region X - Northwest
MMTA - Other	10.7%	11.3%	8.9%	8.0%	8.6%	5.9%	9.3%	7.6%	8.8%	9.8%
Neuro / Stroke	10.3%	11.4%	9.0%	7.6%	10.2%	5.9%	8.5%	7.8%	9.4%	11.4%
Wounds	8.7%	9.0%	8.3%	8.0%	8.8%	6.8%	8.1%	6.9%	8.3%	8.7%
Complex Nursing	18.4%	22.0%	23.1%	19.5%	20.8%	14.0%	22.7%	19.9%	14.0%	23.6%
MS Rehabilitation	10.3%	10.9%	9.2%	8.0%	10.2%	6.2%	9.7%	8.4%	10.3%	10.7%
Behavioral Health	10.3%	12.8%	8.8%	8.7%	9.3%	6.0%	7.8%	7.9%	8.1%	11.5%
MMTA - Surgical Aftercare	11.1%	14.3%	11.1%	9.5%	11.4%	7.7%	9.6%	9.1%	11.0%	10.7%
MMTA - Cardiac / Circulatory	9.3%	11.5%	8.7%	6.0%	9.2%	4.8%	8.2%	6.0%	9.1%	9.6%
MMTA - Endocrine	11.3%	11.1%	11.3%	9.4%	11.6%	7.1%	9.5%	6.9%	10.4%	11.5%
MMTA - GI / GU	11.1%	13.7%	10.3%	8.6%	11.4%	6.5%	9.7%	10.5%	10.0%	12.1%
MMTA - Infectious Disease	11.1%	11.7%	9.4%	10.1%	10.2%	7.5%	9.2%	8.9%	9.1%	9.7%
MMTA - Respiratory	10.2%	11.8%	9.3%	7.7%	9.7%	5.7%	8.0%	8.7%	10.5%	9.3%
<b>Overall</b>	<b>10.6%</b>	<b>11.8%</b>	<b>9.9%</b>	<b>8.4%</b>	<b>10.4%</b>	<b>6.2%</b>	<b>9.6%</b>	<b>8.7%</b>	<b>9.8%</b>	<b>11.1%</b>

Source: SHP 30-Day Period Claims Billed Jan '20 - Dec '20







## COVID-19 Volume Statistics

► 30-Day Periods Start April '20 through December '20

	Primary Diagnosis	Medicare PDGM Periods	All Payers
COVID-19		95,254	189,414
All Diagnoses		5,198,010	9,720,367
Percent		1.8%	1.9%

COVID - 19 Medicare Periods	Region I: New England	Region II: Northeast	Region III: East	Region IV: South	Region V: Central	Region VI: Southeast	Region VII: Midwest	Region VIII: Mountain	Region IX: West	Region X: Northwest
% of Periods	1.5%	2.7%	1.9%	1.7%	2.5%	1.5%	2.8%	2.1%	1.4%	1.0%
% of 1 <sup>st</sup> Periods	2.5%	3.9%	3.0%	3.1%	4.0%	3.4%	4.4%	3.4%	2.3%	1.8%

Source: SHP National Database April '20 - Dec '20




---

---

---

---

---

---

---

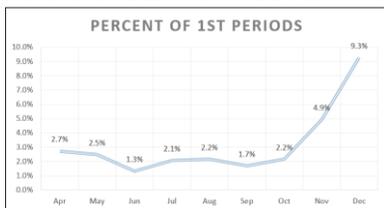
---

---

---

## COVID-19 as a Percent of 1<sup>st</sup> Periods

► Based on SOC COVID-19 Patients to all 1<sup>st</sup> Period Patients



Source: SHP National Database April '20 - Dec '20




---

---

---

---

---

---

---

---

---

---

## PDGM Components – COVID-19

Comorbidity Adjustment	SHP	COVID-19
None	47.0%	52.2%
Low	38.0%	38.0%
High	15.0%	9.8%
Total	100.0%	100.0%

Functional Impairment	SHP	COVID-19
Low	24.1%	19.7%
Med	31.6%	30.9%
High	44.3%	49.4%
Total	100.0%	100.0%

Source & Timing	SHP	COVID-19
Early	33.2%	62.3%
Late	66.8%	37.7%
Total	100.0%	100.0%
Community	71.3%	38.6%
Institutional	28.7%	61.4%
Total	100.0%	100.0%

Source: SHP 30-Day Period Starts April '20 - Dec '20




---

---

---

---

---

---

---

---

---

---

### COVID-19 Medicare 30-Day Period Claim Statistics

▸ LUPA Rates and Visits April '20 – Dec '20

Metric	COVID-19 Primary	All Primary Diagnoses
LUPA Rate	11.9%	8.9%
Revenue/Period	\$1,871,06	\$1,794.61
Visits/Period	8.39	8.37
Case-Mix Weight	1.136	1.059
Outlier Rate	3.4%	4.3%

Source: SHP National Database Claims Billod: April '20 – Dec '20




---

---

---

---

---

---

---

---

---

---

## Discuss potential changes we might see in 2021




---

---

---

---

---

---

---

---

---

---

### Budget Neutrality

- CMS required to evaluate budget neutrality of PDGM for 6 years
  - Reconciliation with HHAs annually
  - May lead to increase or decrease in rates to achieve budget neutrality
- CY22 PDGM rulemaking will examine whether CY20 PDGM spending was "budget neutral"
- Compare spending under PDGM to spending that would have occurred if HHPPS stayed in operation
- Utilization changes due to Covid impact will not be directly considered: increased LUPAs; number of admissions; visit utilization
- Real change in case mix controls budget neutrality calculation; "nominal" change is excluded. CMS used similar approach in earlier "case mix creep" adjustments.




---

---

---

---

---

---

---

---

---

---







### Key Lessons Learned

- Telephony may be contributing to the lower visits per period compared to the CMS LDS
- Managing avoidable LUPA's is complicated with the 5 different visit thresholds – agencies need to identify where they have higher rates and update their workflow to manage these cases
- Profitability for late periods may be greater or less depending on LUPA rates and visits rather than case-mix weight
- Proposed rule for CY 2022 could see the BA addressed and updates to the case-mix values based on updated claims data from CY 2020. If so, there will be differences between the proposed and final rule after additional claims are analyzed for CY 2020.



---

---

---

---

---

---

---

---

### Thank You for Attending!

**Chris Attaya, MBA**  
VP of Product Strategy  
[cattaya@shpdata.com](mailto:cattaya@shpdata.com)

**Zeb Clayton**  
VP of Client Services  
[zclayton@shpdata.com](mailto:zclayton@shpdata.com)

### Questions and Answers

Winning Wednesday Webinar Series

---

---

---

---

---

---

---

---