PDPM & Respiratory Therapy: Breathe a Sigh of Relief Under PDPM

Aeris
Consulting & Management

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What We Do…

Program Design

- Bedside Pulmonary Diagnostics
- COPD/OSA Evaluations
- Routine Respiratory Training for Clinicians
- Increase Facility Acuity=Higher NTA Scores
- Readmission Avoidance
- Marketing Support
- Quarterly Readmission Statistics
- No Charge Standby Equipment in the Facility

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Who we are…

- Edwin C. Frost, R.R.T- President
  - 30 Years in the field
  - NJ State Board of Respiratory Care Member
- Established in 2007
- 30+ Registered and Certified Therapists
- 100+ Facilities in 8 States
- **Pulmonary Readmission Rates < 2%**
- One Source for Everything Respiratory

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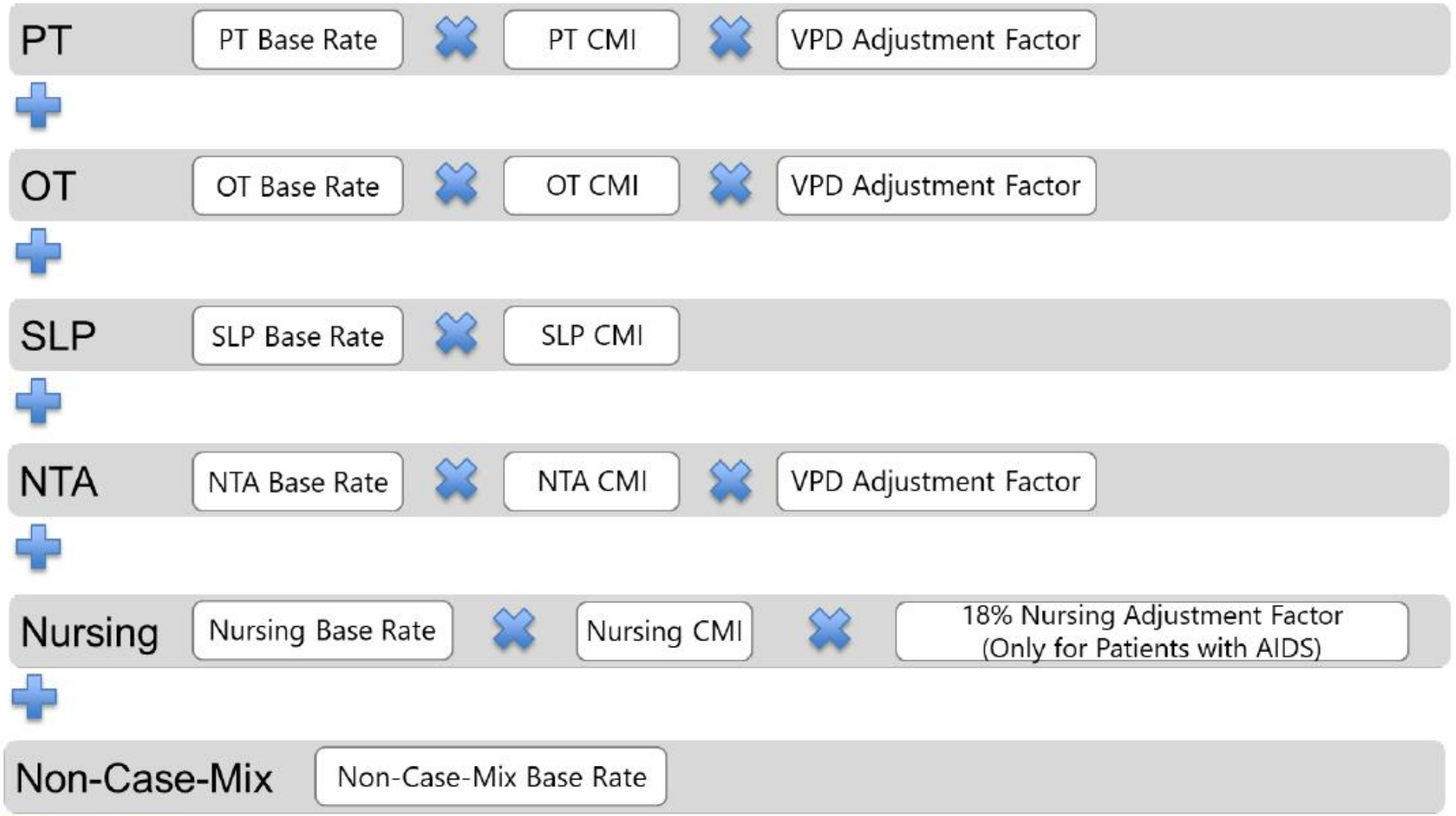
CMS Goals for PDPM

- **To improve targeting of resources** to medically complex beneficiaries
- **To reduce incentives for SNFs** to deliver therapy based on financial considerations
- **To promote consistency** with other Medicare and PAC payment settings by basing resident classification on clinical information and minimizing the role of the 'volume' of service provision in determination of payment

PDPM Snapshot

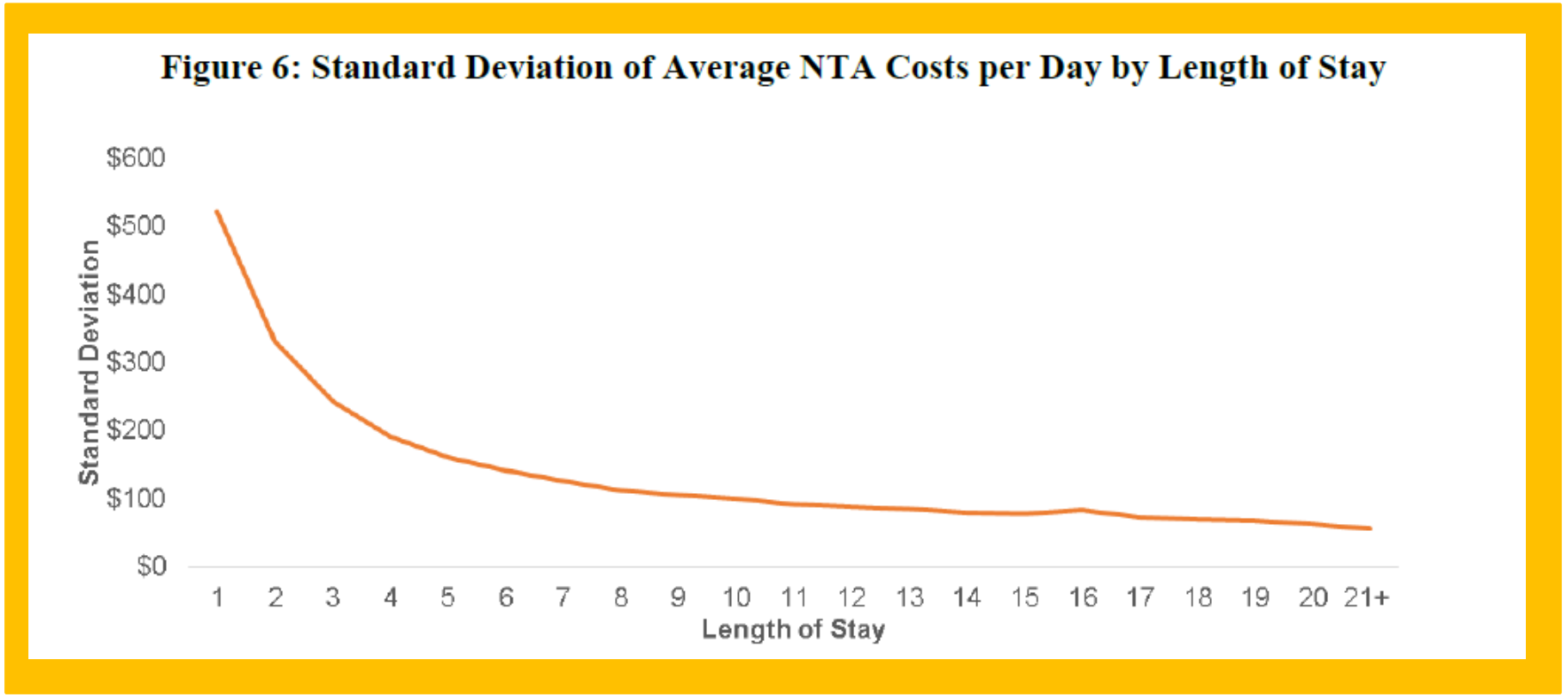


- **It cannot be overstated that the system has changed completely!**
- Therapy no longer drives your daily reimbursement, it supplements it
- Even though you receive lower therapy payments with PDPM, you will see increased payments for nursing and NTA
- Cannot move forward with the focus on rehab
- Nursing, Documentation and Interdisciplinary Coordination is key

NTA & Analysis

TABLE 27: Proposed Conditions and Extensive Services Used for NTA Classification

Condition/Extensive Service	Source	Points
HIV/AIDS	SNF Claim	8
Parenteral IV Feeding: Level High	MDS Item K0510A2, K0710A2	7
Special Treatments/Programs: Intravenous Medication Post-admit Code	MDS Item O0100H2	5
Special Treatments/Programs: Ventilator or Respirator Post-admit Code	MDS Item O0100F2	4
Parenteral IV feeding: Level Low	MDS Item K0510A2, K0710A2, K0710B2	3
Lung Transplant Status	MDS Item I8000	3
Special Treatments/Programs: Transfusion Post-admit Code	MDS Item O0100I2	2
Major Organ Transplant Status, Except Lung	MDS Item I8000	2
Active Diagnoses: Multiple Sclerosis Code	MDS Item I5200	2
Opportunistic Infections	MDS Item I8000	2
Active Diagnoses: Asthma COPD Chronic Lung Disease Code	MDS Item I6200	2
Bone/Joint/Muscle Infections/Necrosis - Except Aseptic Necrosis of Bone	MDS Item I8000	2
Chronic Myeloid Leukemia	MDS Item I8000	2
Wound Infection Code	MDS Item I2500	2
Active Diagnoses: Diabetes Mellitus (DM) Code	MDS Item I2900	2



Focus on Length of Stay (LOS)

NTA x 3 for Days 1, 2, 3

Acumen TEP Report:

"Very few stays had more than 11 [NTA] points, and no resident in our population had more than 32 points, although the theoretical maximum comorbidity score is 83."

Potential NTA Reimbursement Under PDPM

NTA Component			Daily NTA Urban	Variable Rate on Days 1,2,3	Daily NTA Rural	Variable Rate on Days 1,2,3
NTA Comorbidity Score	**NTA Case Mix Group**	**CMI**				
12+	NA	3.25	$ 258.91	$ 776.73	$ 247.34	$ 742.04
9-11	NB	2.53	$ 202.17	$ 606.51	$ 193.14	$ 579.42
6-8	NC	1.85	$ 147.03	$ 441.09	$ 140.47	$ 421.41
3-5	ND	1.34	$ 106.28	$ 318.84	$ 101.53	$ 304.59
1-2	NE	0.96	$ 76.71	$ 230.13	$ 73.29	$ 219.87
0	NF	0.72	$ 57.54	$ 172.62	$ 54.96	$ 164.88

Condition from NTA Table	MDS Item	NTA points
Ventilator Post Admit	O0100F2	4
Active Diagnoses: Asthma, COPD, Chronic Lung Disease Code	I6200	2
Cystic Fibrosis	I8000	1
Tracheostomy Post Admit	O0100E2	1
Suctioning Post Admit	O0100D2	2
Respiratory Arrest	I8000	1
Pulmonary Fibrosis and Other Chronic Lung Disorders	I8000	1

Key NTA Items Likely Impacted By Respiratory Therapy

Resident A	NTA Points	Resident B	NTA Points	Resident C	NTA Points
Ventilator	4	Tracheostomy	1	COPD	2
COPD	2	Asthma	2	Respiratory Arrest	1
Suctioning	2	Suctioning	2		
Total NTA Points:	8		5		3

Cumulative Effect of Respiratory Services On PDPM

Financial Impact of Respiratory Treatment Documentation – NTA x 1 RUG

- Days 4-100 of the skilled stay: impact of changing from one NTA RUG to the next can impact payment by $19.17 to $56.74/day
- Days 1,2,3 this jumps to $57.51 to $170.22/day
- Over an 18-day average length of stay for skilled residents, this could yield additional revenue in just the NTA per diem rate of between $460.08 up to $1,361.76 for one resident who was able to increase the NTA RUG scores due to accurate respiratory related documentation

Financial Impact of Respiratory Treatment Documentation – NTA x 2 RUGs

- Many respiratory residents will increase NTA by 2 RUGs, which can impact payment by $48.74 to $111.88/day
- Days 1,2,3 this jumps to $146.22 to $335.64/day
- Over an 18-day average length of stay for skilled residents, this could yield additional revenue in just the NTA per diem rate of between $1,169.76 up to $2,685.12 for one resident who was able to increase the NTA RUG scores due to accurate wound documentation

Nursing RUGs, Reimbursement and Analysis

Nursing Category	Clinical Indicators	PDPM Nursing RUG	Per Diem Rate Urban
Extensive Services	Tracheostomy and Ventilator/Respirator	ES3	$430.04
Extensive Services	Tracheostomy or Ventilator/Respirator	ES2	$325.17
Extensive Services	Isolation for active infectious disease	ES1	$310.35
Special Care High	Any one of these qualifies: • Comatose • Septicemia • DM with either daily injections or insulin order change • Fever with: pneumonia, vomiting, feeding tube or weight loss • Tube feed > 50% nutrition • Respiratory treatment x 7 days • COPD with SOB when laying flat • If resident has depression, select RUG that ends with 2; if not, select RUG that ends with 1	HDE2	$254.21
Special Care High		HDE1	$210.78
Special Care High		HBC2	$237.26
Special Care High		HBC1	$197.01

Highest NSG RUGs Impacted By Respiratory

NSG RUG/CMG Category for Respiratory Failure

Nursing Category	Clinical Indicators	PDPM Nursing RUG	Per Diem Rate Urban
Special Care Low	Any one of these qualifies: • Cerebral Palsy, MS, or Parkinsons with GG score <12 • Foot infection • Feeding tube • Pressure ulcers with treatment (either at least 2 Stage IIs OR 1 Stage III/IV); • 2 or more skin treatments with: >1 venous/arterial ulcers OR 1 Stage II pressure + 1 venous/arterial ulcer • Radiation therapy • Respiratory failure and oxygen tx • Dialysis • DM foot ulcer • Foot lesions with tx • If resident has depression, select RUG that ends with 2; if not, select RUG that ends with 1	LDE2	$220.31
Special Care Low		LDE1	$183.24
Special Care Low		LBC2	$182.18
Special Care Low		LBC1	$151.47

NSG RUG/CMGs That See an Increase With Addition of Respiratory Treatments

Nursing Category	Clinical Indicators	PDPM Nursing RUG	Per Diem Rate Urban
Clinically Complex	Any of these qualifies: • Pneumonia • Hemiplegia/hemiparesis • Surgical wounds • Open lesions • Chemo • IV medications • Transfusions • Oxygen therapy • Burns (while resident with tx) • If resident has depression, select RUG that ends with 2; if not, select RUG that ends with 1	CDE2	$198.08
Clinically Complex		CDE1	$171.59
Clinically Complex		CBC2	$164.18
Clinically Complex		CA2	$115.45
Clinically Complex		CBC1	$141.93
Clinically Complex		CA1	$99.56
Behavioral Cognitive Symptoms	Any of these qualifies: • BIMs </=9 or CPS >/=3 • Hallucinations/delusions OR Physical/verbal behaviors • If resident has 2 qualifying RNPs, select RUG that ends with 2	BAB2	$102.73
Behavioral Cognitive Symptoms		BAB1	$97.94
Reduced Physical Function	None of the above qualifiers; 2 RNPs	PDE2	$154.84
Reduced Physical Function	None of the above qualifiers; <2 RNPs	PDE1	$145.12
Reduced Physical Function	None of the above qualifiers; 2 RNPs	PBC2	$119.74
Reduced Physical Function	None of the above qualifiers; 2 RNPs	PA2	$69.59
Reduced Physical Function	None of the above qualifiers; <2 RNPs	PBC1	$111.41
Reduced Physical Function	None of the above qualifiers; <2 RNPs	PA1	$65.41

Considerations For Respiratory Therapy and NSG RUGs/CMGs

- Capturing respiratory treatments and/or trach/vent would increase reimbursement for 82.9% of NSG RUGs per 2017 data if clinically indicated
- Even if the respiratory treatment and/or vent/trach doesn't increase the RUG, it may prevent you from needing to complete an IPA if another qualifying factor is removed/discharged
- If you do need to complete an IPA, the respiratory treatment and/or vent/trach may help to achieve increased reimbursement at the IPA

Financial Impact of Respiratory Treatment on Nursing Reimbursement

- Resident A:
  - In the “Physical Functioning Reduced” Nursing RUG with a RUG of PBC2 = $129.22 nursing per diem
  - If that same resident required respiratory treatment x 7 days = advance to an LBC2 Nursing RUG, yielding $182.18 per day.
  - Over an average 18-day length of stay, this would impact overall reimbursement by $953.28
  - Plus additional impact from NTA!

Financial Impact of Ventilator and Suctioning on Nursing Reimbursement

- Resident B:
  - If not for the ventilator, resident would fall into the “Special Care High” nursing RUG = $237.26
  - If all else remained the same, then adding the ventilator would yield an additional $87.91 per day
  - Additional $1,582.38 in reimbursement over an 18-day length of stay
  - Also, would increase NTA!

Financial Impact of Tracheostomy, Respiratory Treatment and Suctioning on Nursing Reimbursement

- Resident C:
  - If not for the tracheostomy, resident would fall into the “Special Care Low” nursing RUG = $182.18
  - If all else remained the same, then adding the tracheostomy would yield an additional $143.02 per day
  - Additional $2,574.36 in reimbursement over an 18-day length of stay
  - Increase in NTA as well!

Provider Margins with Respiratory Services

	NSG RUG without resp tx	NSG RUG WITH resp tx	NTA RUG without resp tx	NTA RUG WITH resp tx	Total NSG and NTA Payment without resp tx	NSG + NTA payment WITH resp tx	Added revenue WITH resp tx x 18 days	Approx. Cost of Resp therapy support	Final extra provider margins after RT cost
Resident A	PBC2 $129.22	LBC2 $182.18	NF $57.54	NE $76.71	$186.76	$258.89	$1,413	$365	$1,048
Resident B	HDE2 $254.21	ES2 $325.17	NE $76.71	NC $147.03	$330.92	$472.20	$2,965	$2,061	$904
Resident C	LDE1 $183.24	ES2 $325.17	NE $76.71	ND $106.28	$259.95	$433.45	$3,264	$527	$2,737

Clinical Supportive Documentation is Essential to Success!

- Example: A resident has a tracheostomy and received suctioning
  - Should have NSG RUG at Extensive Services plus additional NTA points
- If tracheostomy, suctioning and diagnoses not documented correctly or captured upon admission: -$173.50/day
- Over an anticipated 100 day LOS, these services yield an additional: **$17,556.99**

Financial Impact of Adding an 11-Bed Vent Unit

- Up to 11 residents per Respiratory Therapist
- Respiratory Therapist must be onsite at all times
- NSG and NTA likely revenue per diem: $544.04
- You will also receive PT, OT and ST reimbursement for every skilled day, even if therapy services are not provided
- Therapy revenue x 100 days could be (assuming PT/OT RUG of TI and ST RUG of SL): $28,104.90
- Average daily per diem: $849.13
- **Total potential skilled revenue for one vent resident: $84,913.22**

Overall Analysis All Providers

- -$500 Million for therapy reimbursement
- +$520 Million for nursing reimbursement
- -$18 Million for Therapy-Non-Case-Mix
- Should be a sum-zero or slight increase for providers as a whole
- What revenue opportunities exist if we make the appropriate adjustments???

Potential Areas of Denial or Risk With Respiratory

Target Area	Reason for Targeting
Achieving 7 days of Respiratory treatments on Initial Assessment, and then not maintaining this level throughout skilled stay	To be accurate, an IPA should be completed if respiratory treatments are missed, unless it could be determined as an "expected fluctuation" during the stay
Poor documentation to support COPD while laying flat captured on the MDS	If the documentation does not clearly and fully support that the resident demonstrated SOB while flat at least once during the look back period and beyond, could be considered an overpayment. Also would need for IPA if indicated
Suctioning captured on initial assessment but not provided again over longer LOS.	Even if IPA not otherwise indicated, does the resident still qualify for the higher NSG RUG and NTA if no suctioning has been provided x 14 days?

MDS Changes

Impact of Respiratory Treatment On Admission Assessment

- For the admission assessment (now called Initial Assessment by CMS)
  - Can be set on days 1-8
  - Most providers will set on day 8, or may range from days 5-8
  - Respiratory treatment must be captured and correctly documented on ALL 7 days of the 7 day look back period for initial assessment
  - Must provide a MINIMUM of 15 minutes of respiratory treatment per day

Interim Payment Assessment (IPA)

- From Final Rule: Now optional
- Shouldn't be completed for:
  - Minor day to day changes
  - Expected fluctuations
- Unclear on exact requirements for completing
  - First tier changes
  - Must be enough to change payment
- Payment effective starting on ARD

Innovation Through Collaboration

- Communication is critical
- Supportive and accurate documentation

Impact of Respiratory Treatment On IPAs

- ARD can be set as soon as the supportive documentation for respiratory is in the medical record
- Can only complete if payment would change
- Recommend setting the IPA ARD as soon as the 7 respiratory treatments are achieved in the7 day look back period
- If resident received suctioning on day 2 and then hasn't received suctioning again, when should an IPA be completed?
  - No less than 14 days after the most recent suctioning, if payment impacted
- Did resident come in with vent/trach that has been discharged? Must do an IPA within at least 14 days of the discharge
- If resident achieve 7 days of respiratory tx during initial assessment, but then only received 5 or 6 treatments per week thereafter – IPA should be completed and per diem will drop.
- Facility policy and procedure should outline when and at what time frames IPAs should be completed for various clinical scenarios

Preparing for PDPM Today: LOS

- Effective respiratory management from admission can help to reduce avoidable extensions in LOS due to respiratory exacerbations
- Promotes safe and effective transition/discharge to next level of care
- Helps to support ongoing skilled services for some residents

Contact Information

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Contact me today!