

YOUR PDGM PREP CHECKLIST

Get ready for the **new home healthcare landscape**

The Patient-Driven Groupings Model (PDGM) is a new payment model for home health agencies that goes into effect Jan. 1, 2020. The new model from the Centers for Medicare & Medicaid Services (CMS) will further the shift to a value-based payment system and is designed to ultimately reduce home healthcare delivery costs. This new reimbursement model is the largest change in the home health industry in more than 20 years. Are you ready for the switch?

Here are some preparation tips for making a smooth transition while minimizing revenue disruption.

- Educate all staff members** Bring your team up to speed on PDGM changes and how they will affect day-to-day tasks. Communicate early and often.
- Review health histories to ensure all comorbidities are captured** PDGM increases the number of payment groupings from 153 to 432 (HHRGs—home health resource groups). This new complexity will require education and preparation across your organization to ensure accurate reimbursement.
- Evaluate current processes** PDGM will have far-reaching effects throughout your organization. In order to avoid significant issues, all processes and workflows should be evaluated to ensure they will still be viable after 1/1/2020. This includes referral processes, registration/scheduling, clinical, coding, billing and more.
- Analyze coding to ensure accuracy under new rules** The CMS projects that around 15% of episodes will not fit into a clinical group and will therefore be classified as questionable encounters (QE) under PDGM—and will not be reimbursed. Staff can review historical examples to learn what the appropriate primary diagnosis should have been. 60% of QE codes submitted in 2017 were from 25 unique diagnosis codes, so there could be high-volume examples with a large impact.



Prepare for higher claim volumes

Under PDGM, claims will be sent every 30 days. This significant volume increase means you'll have to improve claims lifecycle visibility to enable efficient billing and follow-up. Look to automation technology to eliminate redundant tasks and reduce manual work.



Prepare for changes to LUPAs

Under PDGM, the LUPA threshold will vary by HHRG, and will be based on the 30-day period of care. That is a noteworthy change, as HHAs are used to a four-visit LUPA threshold over 60 days.



Examine your data to understand current performance

To better understand the impact of PDGM, you need to have a strong understanding of where your KPIs are today. If you are underperforming in certain areas, this will likely stay the same or worsen with the complexity of PDGM. Analysis of your current data can highlight areas that will require more focus after 1/1/2020, such as:

- Days to RAP and final claim
- Percentage of RAPs cancelled
- LUPA percentage by threshold
- Cost per episode and cost per visit
- A/R days
- Denial rate



Evaluate referral partner development priorities

Under PDGM, patients referred by institutions will receive higher reimbursement than those referred by community sources. This shift in reimbursement logic may alter your priorities when looking for referral partners.



Partner with a vendor to help ease the burden of PDGM

Partnering with an experienced vendor will ensure resources are properly allocated without negatively affecting productivity. An effective vendor can provide invaluable insight and maximize productivity during and after the PDGM transition.

The new home healthcare landscape will be disruptive, both to the patient experience and your bottom line. With Waystar's help, you can make the transition with ease, strengthening revenue and streamlining workflows while ensuring a smooth shift to PDGM.

Still have questions? Visit info.waystar.com/PDGM for more tips and insights.

ABOUT WAYSTAR

Waystar simplifies and unifies the healthcare revenue cycle with innovative, cloud-based technology. Together, our technology, data and client support streamline workflows and improve financials for our clients, so they can focus on their patients.