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PDPM: A financial game plan

Build a winning team now for clinical and financial success

Administrator Ashleigh Guerin operates a very successful short- and long-term care skilled nursing facility as a part of a continuing care retirement community in downtown Chicago.

She uses a contract therapy company for skilled therapy services, employs wound care specialists and has begun offering respiratory care to meet the growing needs of her residents. Outcomes are above national averages, and the census is almost always full.

While The Clare has enjoyed both clinical and financial success in the past, Guerin and thousands like her across the U.S. are gearing up to prepare for the Patient-Driven Payment Model (PDPM).

PDPM will require providers to understand how reimbursement will be calculated and vastly improve coding skills. In addition, it will deliver person-centered care resulting in optimal outcomes.

All LTC "players" will need to collaborate more under PDPM.

"We have started to ramp up education for our entire interdisciplinary team to make sure everyone is on the same page and understands the importance of changes under PDPM," Guerin said. "We really look to therapy as a partner in that."

Skilled nursing providers should consider the next few months a mandatory warm-up. They should work in collaboration with their therapy partner to implement evidence-based clinical programs and accurate coding to optimize reimbursement under PDPM.

Therapy Management Corporation (TMC) has launched an ambitious campaign to educate its clinicians and customers about the fundamental changes in the delivery of care between RUGS and PDPM. While we all know that PDPM will allow therapists to provide care that is based on the clinical needs of a patient, there is a large gap in getting clinical professionals to change the behaviors that we have all been operating under for more than two decades.

"Coding really needs to

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be a team sport, including the MDS coordinator, nursing staff, activity directors, dietary managers and the therapists," said Joel Wright, Vice President of Operations for TMC.

Have a game plan, then execute

Wright suggests facilities first take a deep data dive to understand their current physical, occupational and speech therapy coding. They should identify items that are chronically underdiagnosed or provided but not coded for reimbursement.

Then, they can determine how staff will be taught to observe and document resident characteristics that will set individual case-mix adjustments for resident payments.

But it's not enough to take a defensive stance under PDPM.

Many providers, given the right information by an expert who has had time to process and find all of the best strategies, discover they will want to take an offensive approach.

Going on offense

"Therapy providers and their customers should be sharing information with each other so they can understand the population mix and determine what the plans are for seeking other diagnoses," said Ellen Strunk, PT, owner of Rehab Resources and Consulting Inc. "Savvy providers already have an idea what their population mix usually is. But they may not be looking at changing staffing to deliver new care unless they have a strategy for going out and finding those patients."

During multiple coding reviews, TMC has identified areas that will need to be more accurately coded under PDPM. Historically, these areas were not scrutinized, but under the new payment model they will be critical and will have a significant impact on the case-mix index.

At The Clare, Guerin has noticed that many of her SNF residents have cardiopulmonary conditions and have respiratory needs. TMC's PDPM knowledge helped her understand that under the new reimbursement model there will be financial support when offering more clinically complex services.

Offering evidence- and outcome-based therapy services along with respiratory therapy will bring both clinical and financial success to patients and providers. Interdisciplinary care created through education, training and implementation will become the team sport of the future.

Well-versed therapy providers should be able to mine data and pinpoint potential opportunities such as restorative care, cognitive, speech or respiratory therapy.

> ***"Coding really needs to be a team sport."***
>
> *— Joel Wright, TMC*

Contract strategy time

As providers are ramping up for delivering clinical excellence, the defensive move also will involve the renegotiation of therapy contracts under PDPM. While there have been multiple options discussed, TMC has been meeting with customers to help them identify the best option based on their specific needs.

One is a percentage of therapy component; another a flat per diem rate; and lastly, one that is most similar to current contracts, a per-minute rate.

Jacob Waldrop, Data Management Specialist for TMC, said that percentage of the therapy component offers the best risk-sharing between the therapy provider and the customer. If the acuity goes up, we all share a higher reimbursement. However, if the acuity decreases, then that, too, is equally shared.

The flat per diem structure allows for more consistent budgeting in terms of cost for therapy, but it does not adjust for changes in patient acuity.

The per-minute rate is being discussed for those who want to wait and see. TMC is not promoting this as a viable option as it does not hold therapy companies accountable to ensure the customer is not overpaying according to their reimbursement.

Evidence-based practices that promote function are what will really matter to surveyors — and to residents, Waldrop emphasized.

"Somebody loses if we aren't providing great quality care," he said. "But if we do it right, we can make therapy better than it is today." ■

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