

PDPM: (Patient Driven Payment Model) ICD-10 Knowledge for Your SNF (Skilled Nursing Facility)

June 21, 2019

The Patient Driven Payment Model is bringing new importance to the ICD-10-CM code set for SNFs.

The Patient Driven Payment Model (PDPM) is a new case-mix classification system that will replace the Resource Utilization Group, Version IV (RUG-IV), effective Oct. 1, 2019. The PDPM will classify skilled nursing facility (SNF) patients in a Medicare Part A stay into payment groups as part of the SNF Prospective Payment System. RUG IV primarily uses therapy service volume as the basis for payment. The stated intent of PDPM is to classify patients into payment groups based largely on patient characteristics and conditions.

There are two ways that you'll use ICD-10-CM codes under PDPM:

Report the Primary Diagnosis for the SNF Stay

Under PDPM, providers will report on the Minimum Data Set (MDS) the patient's primary diagnosis for the SNF stay. The FAQs state that CMS expects the principal diagnosis on the SNF claim to match the primary diagnosis in item I0020B, the new item being added to the MDS under PDDM as a space for the patient's primary SNF diagnosis. But there won't be a claims edit to enforce that match (according to the April 4, 2019, version of the FAQs).

CMS has mapped each primary diagnosis to a PDPM clinical category. The 10 PDPM clinical categories each represent groups of similar diagnosis codes. The categories play a role in the patient's classification under the physical therapy (PT), occupational therapy (OT), and speech-language pathology (SLP) components (these are three of the five case-mix adjusted components, along with a non-therapy ancillary services component and a nursing component).

Select Additional Diagnoses to Show Bigger Picture

You'll also use ICD-10-CM codes to capture additional diagnoses and comorbidities because these may affect patient classification under the SLP component and the non-therapy ancillary (NTA) comorbidity score.

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CMS will use the NTA comorbidity score to classify the patient into an NTA component payment group. Comorbidities linked to higher NTA costs have higher points. The score is the sum of the points associated with each comorbidity. Check section 3.3 of the FAQs to see the comorbidities used under the NTA component.