



Department of Health

ANDREW M. CUOMO
Governor

HOWARD A. ZUCKER, M.D., J.D.
Commissioner

SALLY DRESLIN, M.S., R.N.
Executive Deputy Commissioner

December 9, 2019

Re: DAL NH 19-14
Patient Driven Payment Model (PDPM)

Dear Nursing Home Administrator:

In July 2018, the Centers for Medicare & Medicaid Services (CMS) finalized a new case-mix classification model, the Patient-Driven Payment Model (PDPM). Beginning **October 1, 2019** this will be used under the Skilled Nursing Facility (SNF) Prospective Payment System (PPS) for classifying residents in a covered Medicare Part A stay.

PDPM is meant to improve payment accuracy and appropriateness by focusing on the resident; their unique characteristics, needs, and goals, rather than the volume of services provided to them. Under PDPM, each resident is classified into a group for each of the five case-mix adjusted components: Physical Therapy (PT), Occupational Therapy (OT), Speech-Language Pathology (SLP), Nursing, and Non-Therapy Ancillary Services (NTA). PDPM utilizes items in Section GG of the Minimum Data Set (MDS) as the basis for resident functional assessments. Further information regarding PDPM may be found at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/PDPM.html>.

The assessment schedule under PDPM is significantly more streamlined and reduces the number of MDS assessments completed as follows:

- Five-day Scheduled PPS Assessment to be completed between Days 1-8
- Interim Payment Assessment (IPA) which is optional, but may be completed by providers in order to report a change in the resident's PDPM classification
- PPS Discharge Assessment for the end of Medicare stay

Please note the changes to the assessment schedule under PDPM have no effect on any Omnibus Budget Reconciliation Act of 1987 (OBRA) related assessment requirements.

It is important for providers to be familiar with the Interrupted Stay Policy which has been developed under PDPM to determine how payments will be made when residents are discharged and re-admitted during a benefit period. If a resident is discharged from a SNF and readmitted to the same SNF no more than 3 consecutive calendar days after discharge, then the subsequent stay is considered a continuation of the previous stay. More information regarding the Interrupted Stay Policy may be found at: https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/Downloads/PDPM_Fact_Sheet_InterruptedStay_Final.pdf.

If you have regulatory questions pertaining to the completion of MDS assessments under PDPM please contact the Bureau of Quality Assurance and Surveillance, State Resident Assessment Instrument Coordinator at 518-408-1267 or via e-mail at mds3@health.ny.gov.

Sincerely,

Sheila McGarvey, Director
Division of Nursing Homes & ICF/IID
Surveillance
Center for Health Care Provider Services
and Oversight