

## Payment methodology changes for home health under new CMS PDGM model

Effective Jan. 1, 2020, the Centers for Medicare and Medicaid Services (CMS) will be implementing a new Home Health Patient-Driven Groupings Model (PDGM). The PDGM is a new payment model for the Home Health Prospective Payment System (HH PPS).

The PDGM relies more heavily on clinical characteristics and other patient information to place home health periods of care into meaningful payment categories and eliminates the use of therapy service thresholds. In conjunction with the implementation of the PDGM, there will be a change in the unit of home health payment from a 60-day episode to a 30-day period. Security Health Plan will follow CMS guidelines regarding RAP (Requested for Anticipated Payment) as noted in the MLN Matters Article MM11081 (see link below). Security Health Plan will be implementing the new payment model to stay compliant with contractual language and CMS reimbursement requirements.

**Beginning in CY 2020, home health agencies (HHAs) that are certified for participation in Medicare on or after January 1, 2019, will no longer receive split-percentage payments.** These HHAs will still be required to submit a “no pay” RAP at the beginning of care to establish the home health period of care, as well as every 30 days thereafter upon implementation of the PDGM in CY 2020.

**Existing HHAs, meaning those HHAs certified for participation in Medicare prior to January 1, 2019,** will continue to receive RAP payments upon implementation of the PDGM in CY 2020. For split percentage payments to be made, existing HHAs will have to submit a RAP at the beginning of each 30-day period of care. For the first 30-day period of care, the split percentage payment will be 60/40 and all subsequent 30-day periods of care would be a split percentage payment of 50/50. **Please note that a final claim must be submitted at the end of each 30-day period of care.**

### Transition Period:

- For 60-day episodes that begin on or before December 31, 2019, and end on or after January 1, 2020, payment will be the CY 2020 national, standardized 60-day episode payment amount.
  - Providers will then transition to the new PDGM claims submission of every 30-days.
- For periods of care that begin on or after January 1, 2020, the unit of payment will be the CY 2020 national, standardized 30-day payment amount.

### Prior Authorization:

Prior authorization (PA) requirements will remain the same, with PA required every 60 days.

### Helpful resources:

[MLN Matters Article MM11081](#)

[MLN Matters Article MM11395](#)

[MLN Matters Article MM11272](#)

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4452CP.pdf>

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