

HOMECARE & HOSPICE
National Association for Home Care & Hospice

**Therapy in PDGM:
What We Learned from the National Survey**
June 4, 2019

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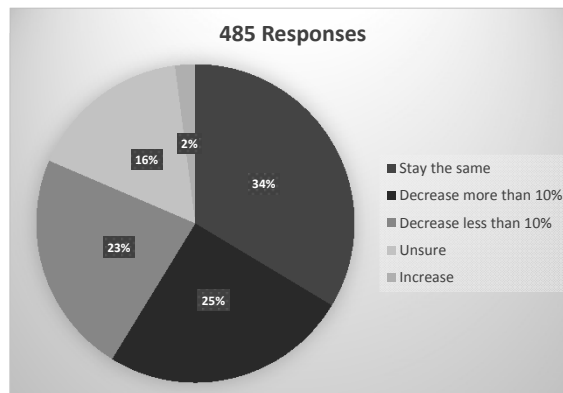
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Therapy Under PDGM: NAHC Survey

- Survey intended to determine the anticipated therapy-related reaction to PDGM
- 685 respondents; 487 full respondents
- All states with at least one respondent
- Freestanding 40.29%; Institution-based 9.64%; Health system affiliated 25.26%; Government-based 4.82%
- For-profit 36.50%; Non-profit 40.29%

How do you anticipate PDGM will impact therapy utilization in your agency?

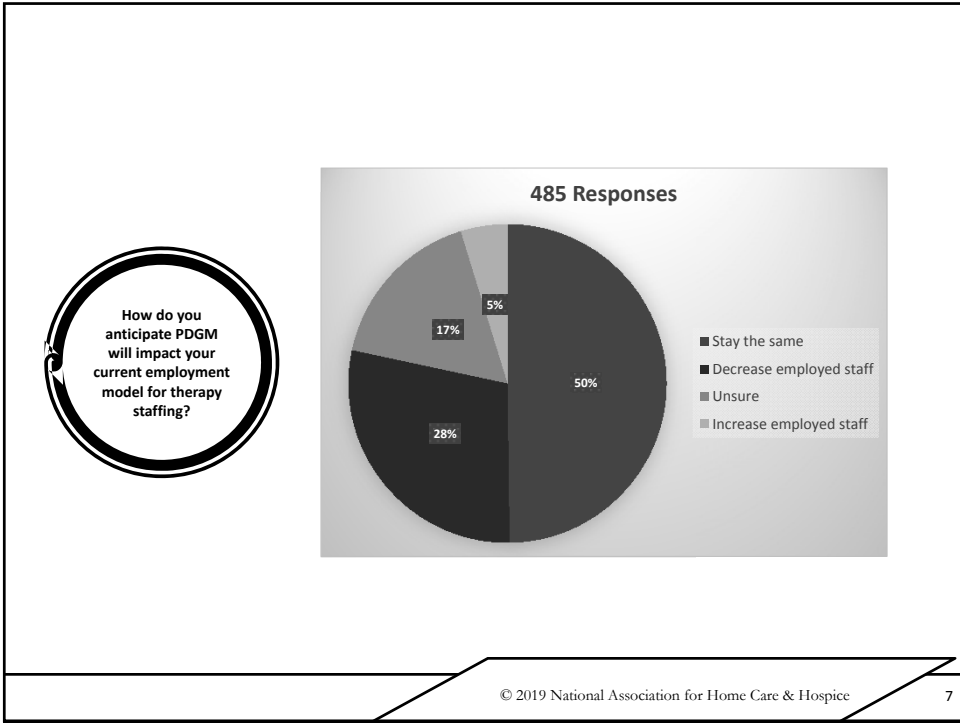


How do you anticipate PDGM will impact therapy utilization in your agency?					
	86	172	90	66	73
	<\$1M	\$1-\$5M	\$5-\$10M	\$10-\$20M	>\$20M
Stay the same	32.56%	31.40%	34.44%	39.39%	34.25%
Decrease less than 10%	15.12%	22.09%	27.78%	21.21%	27.40%
Decrease more than 10%	22.09%	32.56%	18.89%	25.76%	19.18%
Increase	0.00%	1.74%	1.11%	1.52%	6.85%
Unsure	30.23%	12.21%	17.78%	12.12%	12.33%

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How do you anticipate PDGM will impact therapy utilization in your agency?				
	Freestanding	Inst/HB based	For Profit	Nonprofit
Stay the same	24.38%	50.00%	17.37%	48.57%
Decrease less than 10%	23.88%	20.00%	22.75%	22.38%
Decrease more than 10%	34.83%	15.88%	41.32%	9.05%
Increase	1.99%	1.18%	1.80%	2.38%
Unsure	14.93%	12.94%	16.77%	17.62%

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How do you anticipate PDGM will impact your current employment model for therapy staffing?

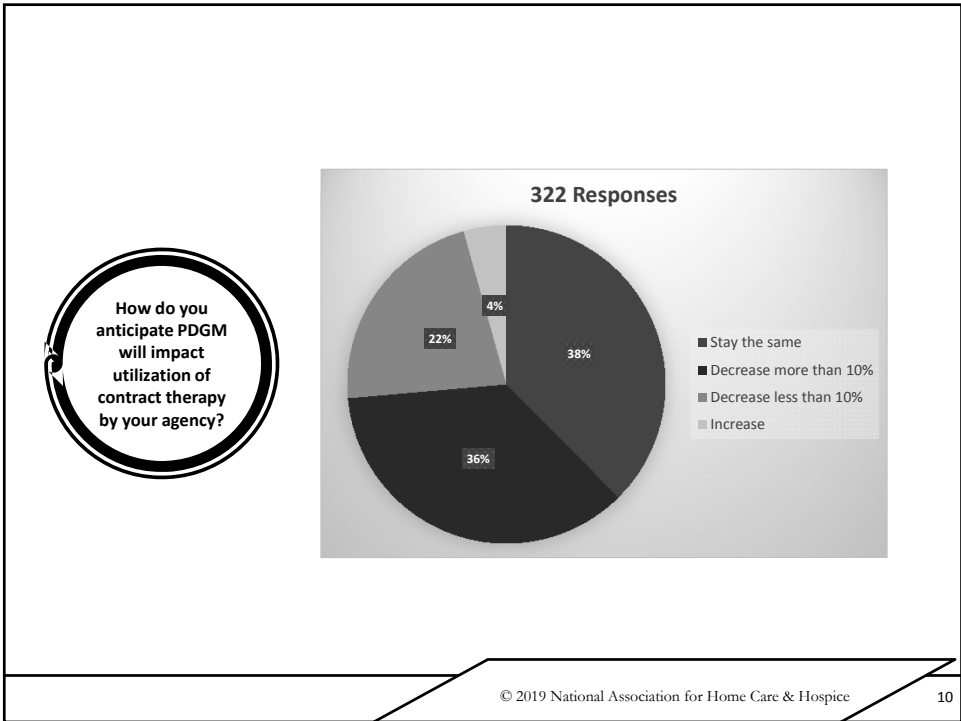
	86	172	90	66	73
	<\$1M	\$1-\$5M	\$5-\$10M	\$10-\$20M	>\$20M
Stay the same	47.67%	47.09%	50.00%	46.97%	43.84%
Decrease employed staff	20.93%	28.49%	25.56%	28.79%	32.88%
Increase employed staff	1.16%	6.40%	3.33%	4.55%	5.48%
Unsure	19.77%	13.37%	15.56%	19.70%	16.44%
Don't currently employ therapy staff	10.47%	4.65%	5.56%	0.00%	1.37%

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How do you anticipate PDGM will impact your current employment model for therapy staffing?

	Freestanding	Inst/HB based	For Profit	Nonprofit
Stay the same	40.80%	62.94%	33.53%	60.00%
Decrease employed staff	32.34%	17.06%	41.32%	15.71%
Increase employed staff	3.98%	5.29%	5.99%	4.76%
Unsure	16.42%	13.53%	11.98%	15.71%
Don't currently employ therapy staff	6.47%	1.18%	7.19%	3.81%

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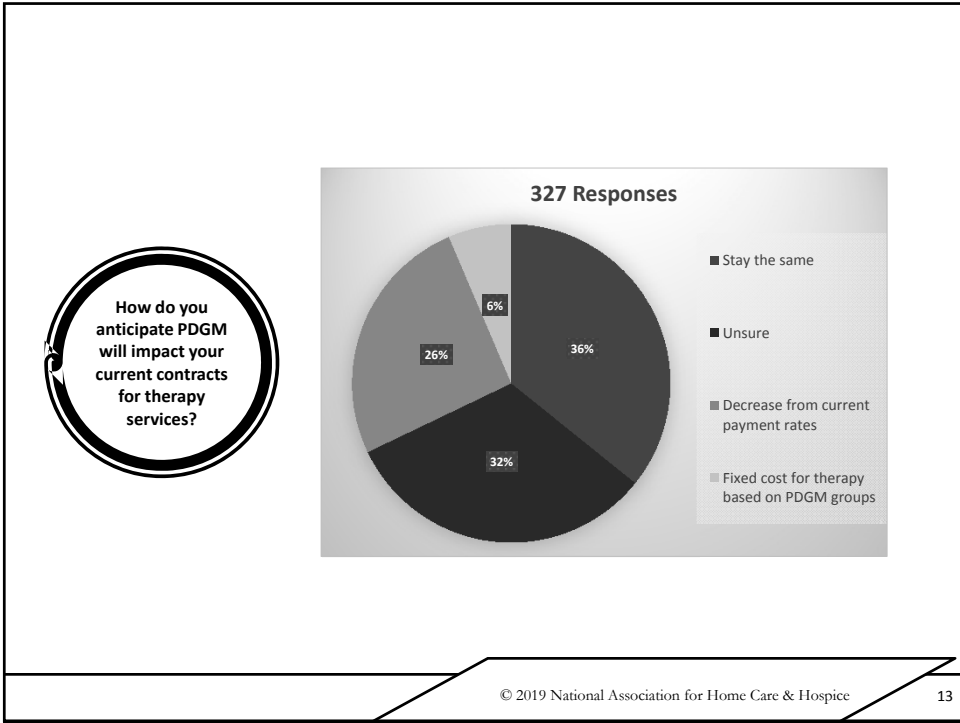


How do you anticipate PDGM will impact utilization of contract therapy by your agency?					
	<\$1M	\$1-\$5M	\$5-\$10M	\$10-\$20M	>\$20M
	86	172	90	66	73
Stay the same	34.88%	22.67%	28.89%	12.12%	24.66%
Decrease less than 10%	9.30%	15.70%	12.22%	21.21%	15.07%
Decrease more than 10%	19.77%	27.33%	18.89%	21.21%	30.14%
Increase	1.16%	4.07%	0.00%	3.03%	5.48%
Don't currently utilize contract therapy services	34.88%	30.23%	40.00%	42.42%	24.66%

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How do you anticipate PDGM will impact utilization of contract therapy by your agency?				
	Freestanding	Inst/HB based	For Profit	Nonprofit
Stay the same	21.89%	34.88%	23.95%	28.10%
Decrease less than 10%	13.93%	9.30%	14.37%	12.86%
Decrease more than 10%	34.33%	19.77%	38.92%	14.76%
Increase	4.48%	1.16%	3.59%	0.48%
Don't currently utilize contract therapy services	25.37%	34.88%	19.16%	43.81%

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How do you anticipate PDGM will impact your current contracts for therapy services?

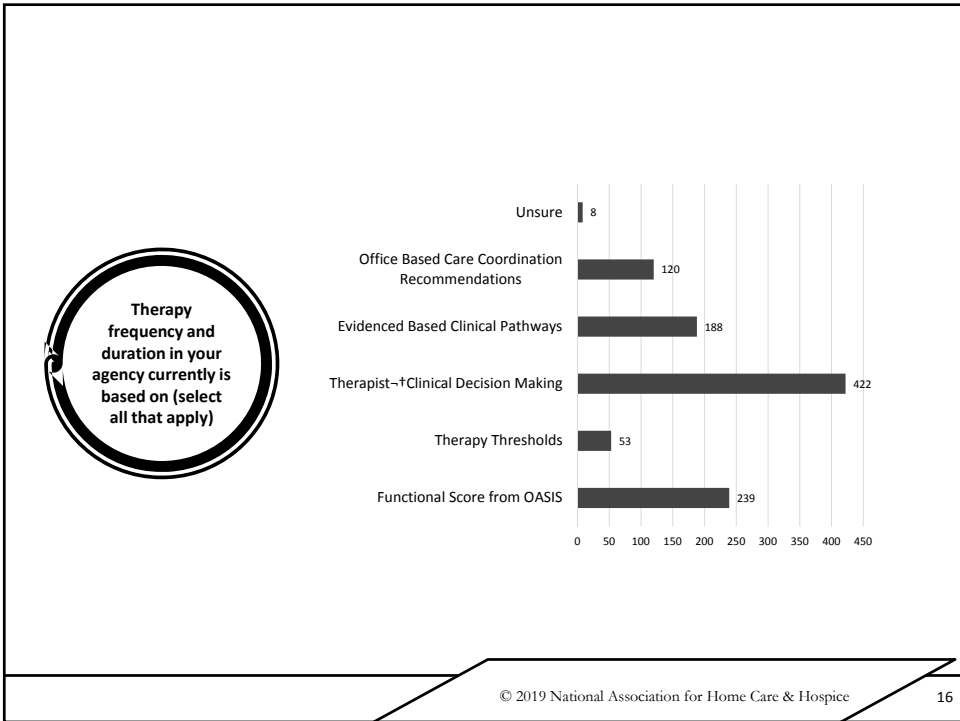
	<\$1M	\$1-\$5M	\$5-\$10M	\$10-\$20M	>\$20M
	86	172	90	66	73
Stay the same	31.40%	20.35%	25.56%	19.70%	26.03%
Fixed cost for therapy based on PDGM groups	2.33%	4.65%	4.44%	4.55%	5.48%
Decrease from current payment rates	6.98%	24.42%	13.33%	15.15%	20.55%
Unsure	29.07%	19.19%	18.89%	21.21%	21.92%
Don't current utilize contract therapy services	30.23%	31.40%	37.78%	39.39%	26.03%

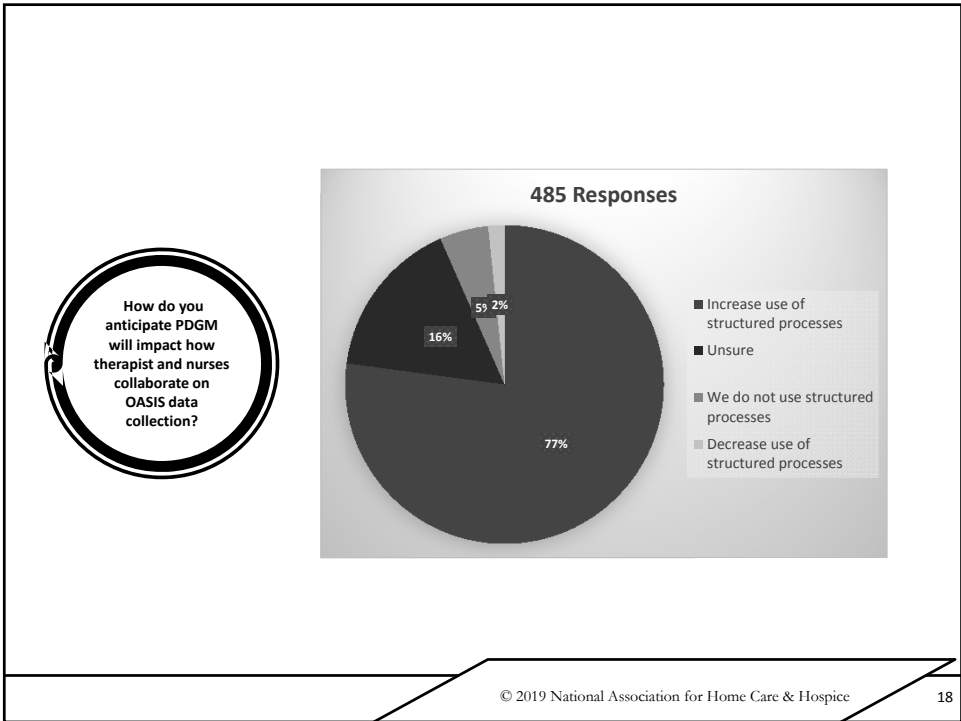
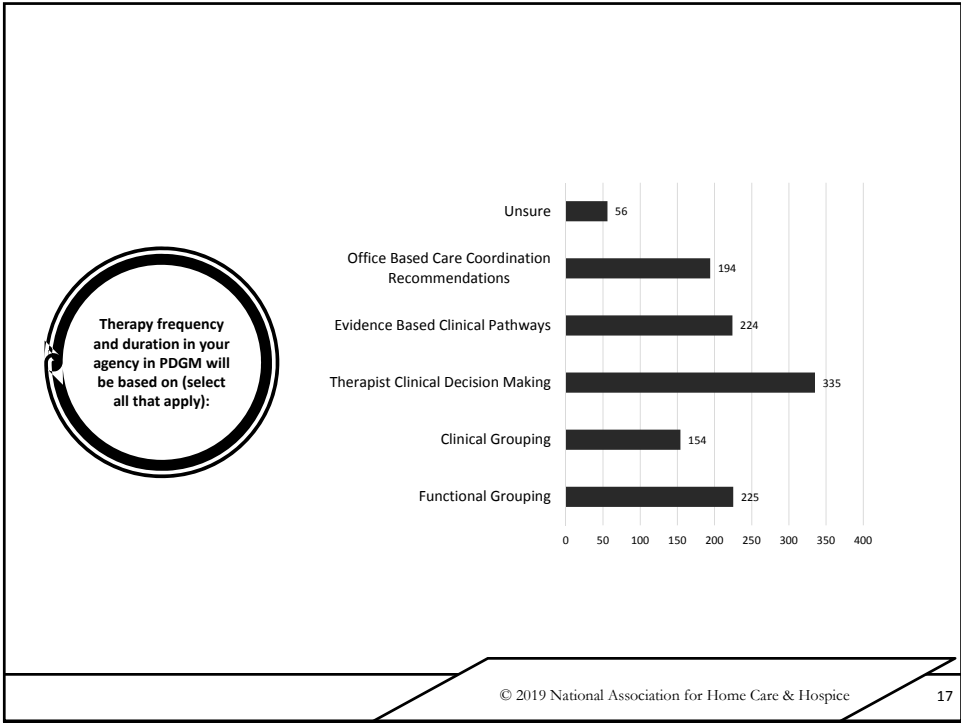
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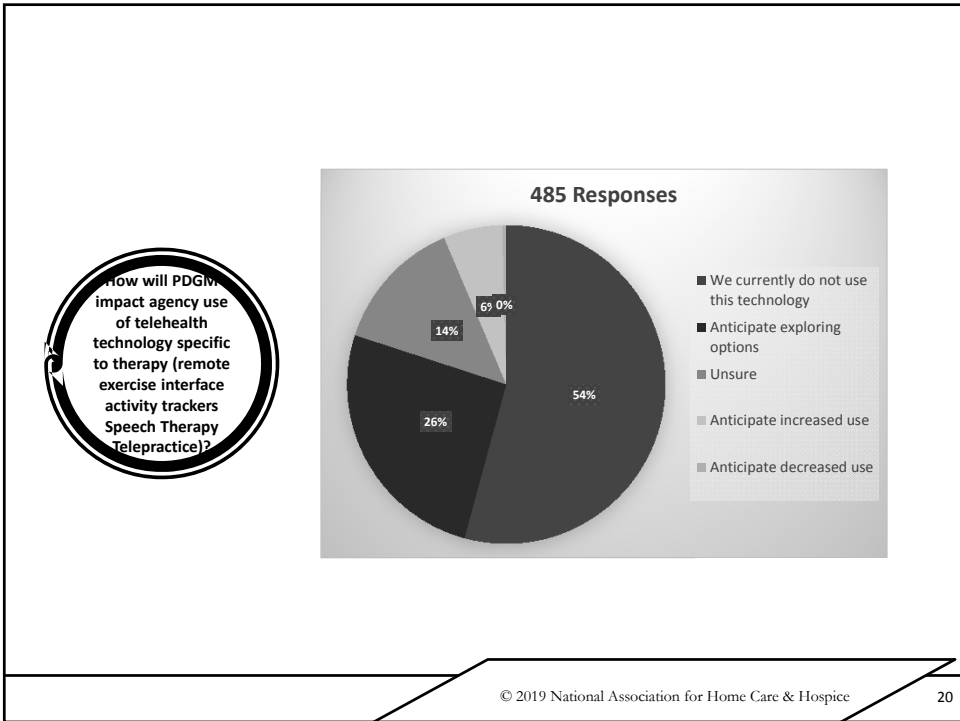
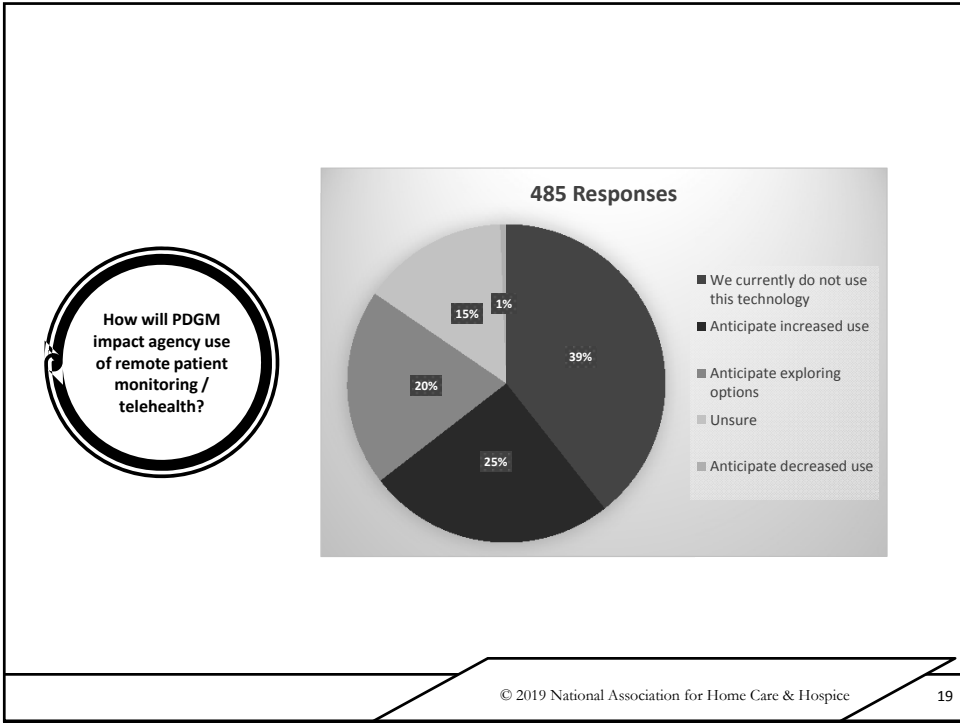
How do you anticipate PDGM will impact your current contracts for therapy services?

	Freestanding	Inst/HB based	For Profit	Nonprofit
Stay the same	24.88%	28.24%	21.56%	27.14%
Fixed cost for therapy based on PDGM groups	4.48%	1.18%	5.39%	2.86%
Decrease from current payment rates	22.89%	8.82%	29.34%	9.05%
Unsure	21.89%	15.88%	23.95%	19.05%
Don't current utilize contract therapy services	25.87%	45.88%	19.76%	41.90%

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Respondents' Top Strategies

- Improved case management
 - Interdisciplinary planning
 - Decreasing therapy visits
 - Spreading out therapy visits
- Rebalancing patient mix through referral relationship/marketing change
- Continue current practices
- Focus on coding accuracy and documentation management
- Increase use of PTAs
- Educate staff on PDGM

Considerations with Changes to Therapy Utilization

- PDGM based on a “regression” analysis
 - 2017 therapy visit volume included
 - CMS reduced price value of therapy in shifting to cost report data
- PDGM is “budget neutral”
 - Redistribution of case mix weights to other categories
 - Balanced case mix should result in comparable aggregate revenues
 - Therapy related episodes may still bring profit

Considerations with Changes to Therapy Utilization

- **Patient outcomes: Home Health Compare scores and Star Ratings**
- **Claims Reviews: 2017 vs. 2020 utilization**
 - Over or under utilization???
- **Compliance: FCA implications if therapy cut for financial gain**
- **Value-based purchasing revenue impact, e.g. HHVBP**
- **Standards of care**
 - Survey and certification
 - Malpractice lawsuits

Questions



Upcoming NAHC Events

Financial Management Conference and Expo

July 14-16, 2019 | Chicago, IL

fmc2019.NAHC.org

Home Care and Hospice Conference and Expo

October 13-15, 2019 | Seattle, WA

Upcoming HHFMA PDGM Webinars

- July 11: **Clinical Management of PDGM (Part I)**
- August 6: **Clinical Management of PDGM (Part II)**
- August 15: **PDGM: Electronic Medical Record Readiness**
- Sept. 12: **NEW! PDGM: Coding In Depth**
- Sept. 26: **NEW! PDGM: Billing In Depth**

For more information and to register, visit:
<http://www.nahc.org/pdgm-webinars>

Contact Information

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