

Medicare Reimbursement – Home Health Prospective Payment System (PPS) Patient Driven Groupings Model

On Jan. 1, 2020 the new Patient Driven Groupings Model (PDGM) was implemented by the Center for Medicare and Medicaid Services (CMS). CMS is modernizing the Home Health Prospective Payment System (PPS) case-mix classification system and promoting patient-driven care.

Molina will reimburse home health services according to the CMS Medicare methodology for the PDGM implementation with an exception for Request for Anticipated Payment (RAP) processing. With Medicare implementing a change in the unit of payment from 60 days to 30 days as required by the BBA of 2018, Molina will no longer be paying on RAP claims. Payment will be made for each 30-day period of care on the final claim. The submission of a RAP claim will be processed as a “no pay” RAP. A Frequently Asked Questions (FAQ) resource document can be located at [PDGM FAQs](#) which will address Molina’s transition plan and the RAP exception process.

Molina providers reimbursed under the Medicare Home Health Prospective Payment System (PPS) will be subject to the PDGM payment transition. Claims with a “from” date of service on and after Jan. 1, 2020 will be billed and paid under the PDGM rules, whereas those episodes of care that span the 2019-2020 calendar year (CY) will be billed and paid under the current Home Health PPS rules and adjusted for CY 2020 national rates.

CMS has released resources on the PDGM webpage to help you prepare. Please visit the CMS website at: www.cms.gov and under the “Medicare” tab find the “Medicare-Fee-For-Service-Payment” section, then select “Home Health PPS.”

Thank you for your commitment to Molina members.



Molina Healthcare Home Health Patient Drive Groupings Model (PDGM) Frequently Asked Questions FAQs*

How will Molina be implementing the Patient Driven Groupings Model (PDGM)?

Generally, Molina will follow the Centers for Medicare and Medicaid Services (CMS) implementation of PDGM. Information on the CMS Home Health PDGM can be found at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM.html>. Molina will have a modified implementation for Request for Adjusted Payment (RAP) processing. (For more information, see additional FAQ items below.)

Does Molina have plans to adopt PDGM per Medicare Part A episodic billing requirements?

Molina providers reimbursed under the Medicare Home Health Prospective Payment System (HH PPS) will be subject to the PDGM payment transition.

When will Molina switch to a 30-day PDGM? Will this have a hard cutover date? If not, what reimbursement methodology will be used?

Molina's transition from the current Home Health Prospective Payment System (HH PPS) to the PDGM model will be considered a "soft-cutover."

For claims that span the Jan. 1, 2020 implementation date, (the "from" date of service is 2019, but the "through" date of service is 2020) payment will be under the current billing and payment rules, adjusted for calendar year (CY) 2020 national rates.

For home health periods of care that begin on or after Jan. 1, 2020 (the "from" and "through" dates are both in CY 2020), payment will be under the PDGM billing and payment rules, adjusted for CY 2020 national rates.

Do you anticipate payment delays due to PDGM?

No. Molina does not anticipate any payment delays.

Does Molina plan to change existing claim billing requirements to accommodate the new PDGM components such as the submission of a PDGM Health Insurance Prospective Payment (HIPPS) Code and/or other information on Medicare claims?

Yes. Molina will be processing claims with a "from" date of service on and after Jan. 1, 2020 according to the PDGM billing guidelines. However; with Medicare implementing a change in the unit of payment from 60 days to 30 days as required by the BBA of 2018, Molina will no longer be paying on RAP claims. Payment will be made for each 30-day period of care on the final claim. The submission of a RAP claim will be processed as a "no pay" RAP.

Will Molina be following Medicare guidelines 1:1 in regards to PDGM?

Molina will reimburse home health services according to the PDGM methodology. Molina will require home health agencies (HHAs) to bill home health services according to the new PDGM billing requirements.

Will Molina allow the old PPS HIPPS code after 1/1/2020?

Yes, but only for cases where the "from" date of service is prior to 1/1/2020.

*Note: This FAQ document is not applicable to the Molina Healthcare of Ohio lines of business.



Will the PDGM changes address the four points noted below? Are there any nuances that the agencies should be aware of?

1. Episodic care going from 60-day to 30-day.
Yes. The Bipartisan Budget Act of 2018 requires that CMS move to a 30-day payment period from a 60-day payment period, effective Jan. 1, 2020. Molina will be following this as well.
2. New Scoring (HHPS)
Yes. CMS is implementing a revised case-mix adjustment methodology. The intent is to shift the focus from volume of services to a more patient-driven model that relies on patient characteristics and other patient information to place home health periods of care into more meaningful payment categories. Molina will be following this model as well.
3. Adjusting of low utilization payment adjustment (LUPAs).
Payments for 30-day periods of care with a low number of visits will not be case-mix adjusted, but instead on a per-visit basis using the national per visit rates. Each of the 432 different PDGM payment groups has a threshold that determines the minimum visit limit.
4. Request for Anticipated Payment (RAP)
Molina will be removing the RAP payments in CY 2020 instead. The submission of a RAP claim will be processed as a “no pay” RAP. The benefit of eliminating the split-percentage payment is that it will result in automation of claim processing, leading to increased claim payment accuracy, and faster turnaround times.