

# Provider Memorandum

## New Patient Driven Grouping Model (PDGM) Effective January 1, 2020

### PDGM Implementation on January 1, 2020

Beginning January 1, 2020, Molina Healthcare of Illinois (Molina) will follow a new Centers for Medicare and Medicaid Services (CMS) Patient-Driven Groupings Model (PDGM) to place home health periods of care into payment categories. 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. The use of therapy service thresholds will be eliminated.

**Line of Business:** PDGM applies to Molina Dual Options Medicare-Medicaid Plan (MMP) members only.

### About PDGM

The PDGM uses 30-day periods as a basis for payment. Thirty-day periods are categorized into 432 case-mix groups for the purposes of adjusting payment in the PDGM. In particular, 30-day periods are placed into different subgroups for each of the following broad categories:

- Admission source (two subgroups): Community or institutional admission source
- Timing of the 30-day period (two subgroups): Early or late
- Clinical grouping (twelve subgroups): Musculoskeletal rehabilitation; neuro/stroke rehabilitation; wounds; medication management, teaching, and assessment (MMTA) - surgical aftercare; MMTA - cardiac and circulatory; MMTA - endocrine; MMTA - gastrointestinal tract and genitourinary system; MMTA - infectious disease, neoplasms, and blood-forming diseases; MMTA - respiratory; MMTA - other; behavioral health; or complex nursing interventions
- Functional impairment level (three subgroups): Low, medium, or high
- Comorbidity adjustment (three subgroups): None, low, or high based on secondary diagnoses.

### What is Changing?

Generally, Molina will follow the CMS implementation of PDGM. Information on the CMS Home Health PDGM can be found at: [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM.html](http://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 details, refer to the FAQ link under the *Resources* section below.

### PDGM 30-Day Timing

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 January 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 January 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.

## **Billing Under PDGM**

Molina will be processing claims with a **from** date of service on and after January 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 Bipartisan Budget Act (BBA) of 2018, Molina will no longer be paying on Request for Anticipated Payment (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.

## **Resources**

Refer to the [Molina Healthcare Home Health Patient Drive Groupings Model \(PDGM\) Frequently Asked Questions \(FAQs\)](#) for additional information.

Also, CMS has posted fact sheets, FAQs and training materials on the PDGM webpage. For more information, visit [www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM](http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HomeHealthPPS/HH-PDGM).

## **Questions**

Providers with questions may contact their provider network managers or email the Provider Network Management Department at [MHILProviderNetworkManagement@MolinaHealthcare.com](mailto:MHILProviderNetworkManagement@MolinaHealthcare.com).

Providers who need help identifying their assigned provider network manager may visit Molina's Service Area page at [www.MolinaHealthcare.com/providers/il/medicaid/contacts/Pages/servicearea.aspx](http://www.MolinaHealthcare.com/providers/il/medicaid/contacts/Pages/servicearea.aspx).

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