



Department of Health
Medicaid

PDPM CASE MIX PROJECT UPDATE

OHIP / DFRS / NHLTCRS

May 13, 2025

AGENDA

- Introductions
- Project to date
- Where we are now
- MDS analysis details
- Industry guidance
- Next steps

PROJECT TO DATE

- Myers and Stauffer contract began April 15, 2024
- Planning, NYS regulations and rate methodology, preliminary data analysis, etc.
- CMS DUA approved November 19, 2024
- MDS data shared with Myers and Stauffer:
 - Quarterly MDS data files from Q1 2022 through Q3 2023
 - Daily MDS submission files from Q4 2022 through Q1 2024
- Myers and Stauffer has spent the last few months completing a thorough analysis of the MDS data

WHERE WE ARE NOW

- While some aspects of the data can be used for modeling case mix rate adjustments, other aspects are incomplete and cannot be used
- Only two of the five PDPM components can be accurately discerned from the current data:
 - Nursing and Non-Therapy Ancillary (NTA) can be used
 - Physical Therapy, Occupational Therapy, and Speech Language Pathology cannot be used

WHERE WE ARE NOW (2)

- This increased understanding of PDPM assessments enables us to provide further instruction on what is needed for rate setting
- Additional fields will be requested, which will allow for DOH and Myers and Stauffer to complete a thorough analysis of the impacts of all five PDPM components
- We will discuss these fields and the draft guidance in subsequent slides

WHERE WE ARE NOW (3)

- Because this will take additional time, we are looking to implement an interim case mix methodology that may rely only on the Nursing and/or NTA components while we collect and analyze additional data
 - This will turn the PDPM case mix transition into a two-step process at least, but will allow for a case mix adjustment to occur sooner.
 - Collaborative options for phase in, reconciliation, and impacts will be discussed as a part of this process

WHERE WE ARE NOW (4)

- After this thorough data analysis, Myers and Stauffer will be equipped to work more closely with the Department and industry on specific ideas, impacts, and elements of the assessments.
- Though the Nursing component is generally the key element, the other PDPM components could still be fully analyzed.

Myers and Stauffer MDS Data Analysis



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ACRONYMS USED IN THIS PRESENTATION

CMI

Case-Mix Index; a weight assigned to a specific Resource Utilization Group or an average for a given population

MDS

Minimum Data Set; a core set of screening, clinical and functional elements, specific instructions and schedule of assessments

PDPM

Patient Driven Payment Model; for Medicare Part A SNF resident stays only; replaced RUG-IV 10/1/2019

NTA

Non-Therapy Ancillary case-mix component of PDPM

HIPPS

Health Insurance Prospective Payment System code set. Reported codes that contain signifiers for PDPM component grouping.

PT

Physical Therapy case-mix component of PDPM.

OT

Occupational Therapy case-mix component of PDPM

SLP

Speech Language Pathology case-mix component of PDPM

RUG-III, RUG-IV

Resource Utilization Group, Versions III and IV, a nursing facility resident classification system used in case-mix reimbursement methodology

PDPM Reimbursement Model

Resident Characteristic Driven Model

- Rate built upon resident characteristics, not volume of services, and designed to better meet individual care needs.
- Certain rate components include a variable per diem adjustment.
- Rate calculation includes:
 - Five Case-Mix Adjusted Components: PT, OT, SLP, Non-Therapy Ancillary, & Nursing
 - One Non-Case Mixed Base Rate Component



Source: CMS Presentation, "Patient Driven Payment Model: Background & Finalized Changes to the Skilled Nursing Facility (SNF) Prospective Payment System (PPS)"

MDS Processing Update

Q2 2022 Through Q1 2024

MDS assessment data has been shared with Myers and Stauffer, but numerous deficiencies were noted.

1. Around 30% of original MDS assessments generated a HIPPS code capturing PDPM component classifications.
2. HIPPS codes issues were due to missing fields from MDS assessments
3. The main missing MDS fields are as follows:
 - a) I0020
 - b) J2100
 - c) O0400D
4. A provider memo is being disseminated discussing the need to complete these fields on all MDS assessments going forward

MDS Processing Update

Q2 2022 Through Q1 2024

Myers and Stauffer completed missing MDS assessment fields in order to calculate partial HIPPS codes to compensate for the data deficiencies.

1. PDPM Nursing and NTA calculations reconstructed from MDS assessment data.
2. PT, OT, and SLP data unable to be constructed accurately from MDS assessment data.
3. Approximately 150-170k usable records per quarter with 70k-90k usable Medicaid records once re-processed.

DOH MDS GUIDANCE AND NEXT STEPS



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DRAFT GUIDANCE FOR DISCUSSION

Key text from draft DAL:

Effective June 1, 2025, nursing facilities are required to complete the following three MDS items (in addition to those already required) on all federally required MDS assessment submissions:

1. I0020: Indicate the resident's primary medical condition category
2. J2100: Recent Surgery Requiring Active SNF Care
3. O0400D: Respiratory Therapy

Though these fields are not required by the Centers for Medicare & Medicaid Services (CMS) as part of the Omnibus Budget Reconciliation Act (OBRA) assessment, they are key elements in the Patient Driven Payment Model (PDPM) schema that will assist NYS DOH in analyzing the assessment data for future case mix adjustments. Completion of these items will allow for PDPM categorization of all submitted assessments

QUESTIONS ABOUT DRAFT GUIDANCE

- What will it take for facilities to implement this change?
- Is the start date of June 1, 2025 feasible?
- Would it be possible to update assessment data retroactively?
- Are there technology constraints? Training concerns?
- Are there concerns with this approach?
- Any recommendations based on your expertise?



NEXT STEPS – Final Methodology

- Timeline for collecting additional data and conducting further analysis:
 - New data collection beginning June 1, 2025 (feedback appreciated)
 - Several months of data are needed, so we are targeting November 1, 2025 for beginning analysis
 - We are aiming to have a new model to review with stakeholders in Spring 2026 for feedback and possible recommendations
 - Final methodology to be implemented Fall 2026

NEXT STEPS – Interim Methodology

- Timeline for having an interim methodology to review with stakeholders:
 - Myers and Stauffer is working on this now
 - We are aiming to review with stakeholders around the end of summer 2025
 - Once a methodology is agreed to, DOH will do SPA and regs as needed.

Questions and Further Discussion



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