



FROM |  pa health  
& wellness.



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300 Corporate Center Drive  
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Camp Hill, PA 17011

October 1, 2019

## IMPORTANT CHANGES TO MEDICARE CASE-MIX INDEX

Dear Nursing Facility Partner:

Earlier this year, CMS rolled out a new pricing logic for Skilled Nursing Facilities (SNF) called the Patient Driven Payment Model (also known as PDPM) for Case-Mix classification. This new Medicare payment methodology is being implemented October 1, 2019. Moving forward, the RUG IV procedure codes will no longer be used for PA Health & Wellness Allwell reimbursement or Ambetter contracts with current Medicare reimbursement (note: Ambetter Payor Medicare contracts will not be impacted).

CMS modelled the PDPM with the idea of being budget neutral and the intent of the PDPM is to change how payments are made for SNF services. More details are available on the CMS website, link provided here [https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/Downloads/PDPM\\_FAQ\\_Final\\_v2\\_508.pdf](https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/Downloads/PDPM_FAQ_Final_v2_508.pdf). PA Health & Wellness (PHW) will be following CMS guidance and implementing PDPM beginning today, October 1, 2019.

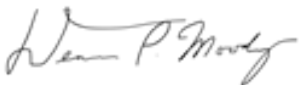
CMS expects the PDPM to:

- *Improve payment accuracy and appropriateness by focusing on the patient, rather than the volume of services provided*
- *Significantly reduce administrative burden on providers*
- *Improve SNF payments to currently underserved beneficiaries without increasing total Medicare payments*

Starting today, PHW asks that providers bill for services under the PDPM using the Health Insurance Prospective Payment System (HIPPS) code that is generated from a 5-day PPS assessment and Interim Payment Assessment (IPA) with an ARD.

PHW recognizes this is a different way of billing and you may experience some issues while moving to this new model. We stand ready to support providers through this transition. Please do not hesitate to call our provider hotline at 855-766-1456 with any questions or concerns regarding this implementation.

Sincerely,



Dennis P. Moody  
Vice President, Network Development & Contracting