What You Should Know About the Patient-Driven Payment Model for Skilled Nursing Facilities

The Patient-Driven Payment Model (PDPM) adopted by the US Centers for Medicare and Medicaid Services (CMS) marks a significant shift toward a more patient-driven approach to reimbursement for care furnished to patients in skilled nursing facilities (SNFs). It is not intended to be used to make treatment or staffing decisions that reduce or compromise patient care.

CMS implemented the PDPM with the aim of moving away from a volume-driven model to one that focuses on the unique characteristics, needs, and goals of each patient. PDPM was implemented to improve payment accuracy by addressing each patient's circumstances independently and classifying patients into payment groups based on specific, data-driven patient characteristics. PDPM redefines the relationship between payment and quality measures, realigning payment incentives and quality incentives.

Claims that the PDPM itself mandates reductions in care simply aren't true. Similarly, assertions that the new system requires maximum use of group therapy, sets out productivity requirements, limits medically necessary therapy service, and dictates which therapy disciplines provide care based on payment categories are not accurate. These myths should not be the basis for any changes to facility protocols that impact patient care.

PDPM: What's different, what's not

What did change	What didn't change
• Patient-focus to improve appropriate, accurate payment • Reduced administrative burden on providers • New group therapy definition • Combined limit of 25% of group and concurrent therapy per discipline • Methodology to determine function score and use of Section GG data	• Patient needs • Medically necessary care as a baseline standard • Criteria for skilled therapy coverage • Use of clinical judgment in determining appropriate frequency, duration, and modality of services • Documentation requirements regarding rationale for group therapy • Reliance on functional status and presence of cognitive impairment for payment classification • How Section GG is coded

APTA advocated to CMS on behalf of the physical therapy profession and our patients when the plan for a payment system change was first presented in 2017. Since that time, we've submitted comments and met in person with CMS representatives and federal legislators, both as an individual organization and as part of therapy organization coalitions. At the same time, we've kept the profession up-to-date with the evolution of the PDPM through our news and social media outlets, webinars, phone-in sessions, and resources on the APTA website. We are committed to helping our members better understand PDPM, and educating employers and other stakeholders in developing responsible approaches to this new system. We'll continue to carefully monitor implementation of the PDPM and advocate for appropriate changes as CMS evaluates the system during the first year of use.

APTA wants to answer your questions about PDPM, and wants to hear about your experiences with the new system. Please contact advocacy@apta.org.

October 2019