Fact Sheet: Administrative Level of Care Presumption under the PDPM

Last Revised: 2-14-19

Background

The SNF PPS includes an administrative presumption whereby a beneficiary who is correctly assigned one of the designated, more intensive case-mix classifiers on the initial five-day Medicare-required assessment is automatically classified as meeting the SNF level of care definition up to and including the assessment reference date (ARD) for that assessment, which must occur no later than the eighth day of the SNF stay (see the regulations in the introductory paragraph at 42 CFR 409.30). As explained in the FY 2019 SNF PPS final rule, the purpose of the presumption is "to afford a streamlined and simplified administrative procedure for readily identifying those beneficiaries with the *greatest likelihood* of meeting the level of care criteria . . ." (83 FR 39253, August 8, 2018, emphasis in the original).

Designated Case-Mix Classifiers

CMS has designated certain case-mix classifiers as qualifying a beneficiary for the presumption, as follows:

- *For services furnished prior to October 1, 2019*, all groups encompassed by the following categories under the Resource Utilization Groups, version IV (RUG-IV) model:
  - Rehabilitation plus Extensive Services;
  - Ultra High Rehabilitation;
  - Very High Rehabilitation;
  - High Rehabilitation;
  - Medium Rehabilitation;
  - Low Rehabilitation;
  - Extensive Services;
  - Special Care High;
  - Special Care Low; and
  - Clinically Complex.

- *For services furnished on or after October 1, 2019*, the following classifiers under the Patient Driven Payment Model (PDPM):
  - Those nursing groups encompassed by the Extensive Services, Special Care High, Special Care Low, and Clinically Complex nursing categories;
  - PT and OT groups TA, TB, TC, TD, TE, TF, TG, TJ, TK, TN, and TO;

- SLP groups SC, SE, SF, SH, SI, SJ, SK, and SL; and
- The NTA component's uppermost (12+) comorbidity group.

Effect of Non-Designated Case-Mix Classifiers

A beneficiary who is not assigned one of the designated case-mix classifiers is not automatically classified as either meeting or not meeting the definition, but instead receives an individual level of care determination using the existing administrative criteria. As explained in the FY 2016 SNF PPS final rule (80 FR 46406, August 4, 2015), structuring the presumption in this manner serves ". . . specifically to ensure that the presumption does not disadvantage such residents, by providing them with an individualized level of care determination that fully considers all pertinent factors."

Effect of Changeover from RUG-IV to PDPM

As part of the changeover from RUG-IV to PDPM, all current SNF residents who were admitted prior to the PDPM effective date (October 1, 2019) are to receive a new Interim Payment Assessment (IPA) under the PDPM, even though they may have been assessed already under the previous RUG-IV model. However, this changeover IPA would not entitle such current residents to a new presumption of coverage under the PDPM, as the presumption has always been tied to the *5-day* assessment that is performed at the *outset* of a resident's SNF stay. As explained in the FY 2019 SNF PPS final rule (83 FR 39251, August 8, 2018), ". . . the use of the administrative presumption reflects the strong likelihood that those beneficiaries who are assigned one of the designated classifiers *during the immediate post-hospital period* require a covered level of care, which would be less likely for other beneficiaries" (emphasis added).

The FY 2000 SNF PPS final rule (64 FR 41667, July 30, 1999) explains that the original rationale for the presumption was that SNF stays typically are the most unstable and intensive ". . . at the *very outset* of the stay, during the period *immediately following* the resident's admission from the prior hospitalization" (emphasis added). This is also reflected in the corresponding instructions at §30.1 of the Medicare Benefit Policy Manual, chapter 8 (available online at https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c08.pdf), which specify that the 5-day assessment can generate a presumption of coverage only when conducted pursuant to a SNF admission that *directly* follows the prior hospital stay (i.e., the hospital discharge and subsequent SNF admission both occur on the same day).

Accordingly, as the changeover assessment under PDPM is an IPA and not a 5-day assessment, it cannot serve to trigger a new presumption of coverage. Moreover, consistent with our longstanding policy, for those admissions that occur on or after the PDPM effective date of October 1, 2019, a 5-day assessment may trigger a presumption of coverage *only* when the SNF admission directly follows discharge from the prior hospital stay.