mln MATTERS®
KNOWLEDGE • RESOURCES • TRAINING

Home Health (HH) Patient-Driven Groupings Model (PDGM) - Revised and Additional Manual Instructions

MLN Matters Number: MM11395

Related CR Release Date: August 23, 2019

Related CR Transmittal Number: R4378CP

Related Change Request (CR) Number:11395

Effective Date: January 1, 2020 - Claim "From" dates on or after this date

Implementation Date: November 27, 2019

PROVIDER TYPE AFFECTED

This MLN Matters Article is for physicians, providers, and suppliers billing Medicare Administrative Contractors (MACs) for home health services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

CR11395 revises additional sections of the Medicare Claims Processing Manual, Chapter 10, to support the implementation of the Home Health (HH) Patient-Driven Groupings Model (PDGM) and creates new sections to describe the HH PDGM Grouper program. Make sure your billing staffs are aware of these revisions.

BACKGROUND

In the CY 2019 final Home Health Prospective Payment System Rate Update final rule, the Centers for Medicare & Medicaid Services (CMS) finalized an alternative case-mix methodology now called the Patient-Driven Groupings Model (PDGM) which includes the payment reform requirements as set forth in the Balanced Budget Act of 2018 and will be implemented in CY 2020. CR11395 revises the manual instructions to conform to the final policies of the PDGM. The revised instructions are an attachment to CR11395.

For the complete policy, see the final rule, CRs 11081 and 11272 and the key points below. MLN Matters articles related to CRs 11081 and 11272 are available at https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM11081.pdf and https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM11272.pdf, respectively.

CMS CENTERS FOR MEDICARE & MEDICAID SERVICES
Medicare Learning Network®

KEY POINTS

HH Grouper Program

The HH Grouper program determines the Home Health Resource Group (HHRG) used to pay home health services billed on Type of Bill (TOB) 032x. HHRGs are represented on claims in the form of HIPPS codes. Like the HH Pricer, the HH Grouper is a module within Medicare's claims processing systems. The HHA sends a HIPPS code on the claim, using revenue code 0023. Medicare systems combine claim data and OASIS data and send the data to the HH Grouper to determine the HIPPS code used for payment. The HIPPS code from the Grouper replaces the provider-submitted HIPPS code on the claim and is then sent to the HH Pricer for payment calculations.

Medicare claims processing systems must send an input record to Grouper for all claims and most adjustments. RAPs and medical review or other program integrity contractor adjustments are not sent to the Grouper. The Grouper will return an output record to the shared systems whenever an input record is sent.

CMS does not require any part of the Grouper logic to be incorporated into an HHA's billing system in order to bill Medicare, unless the HHA chooses to do so to assist their accounts receivable functions. The revised manual instructions attached to CR11395 includes the HH Grouper Input/Output Record Layout for MACs (HHH) and as information for the HHAs, in order to help HHAs understand how their HH claims are processed.

ADDITIONAL INFORMATION

The official instruction, CR11395, issued to your MAC regarding this change is available at https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/2019Downloads/R4378CP.pdf.

If you have questions, your MACs may have more information. Find their website at http://go.cms.gov/MAC-website-list.

DOCUMENT HISTORY

Date of Change	Description
August 23, 2019	Initial article released.