Patient Driven Payment Model (PDPM) for Long-Term Care (LTC) Overview Webinar (April 12, 2024)

Frequently Asked Questions

Stakeholders' questions asked during the webinar on April 12, 2024, were summarized and grouped by topic. These questions cover a wide range of subjects related to the overview of the PDPM LTC methodology and implementation activities. The purpose of this document is to provide clear, detailed responses to address the key concerns and information needs of stakeholders identified during the webinar.

Q 1. Can HHSC [The Texas Health and Human Services Commission] confirm the anticipated implementation date for the proposed PDPM LTC methodology?

HHSC anticipates the PDPM LTC rate methodology to be implemented effective September 1, 2025.

Q 2. When does HHSC plan to adopt reimbursement rates for PDPM LTC?

HHSC anticipates proposing rates and holding a public rate hearing in late summer 2024. HHSC will provide more information as it becomes available.

Q 3. Is there additional reimbursement for individuals on a ventilator or receiving tracheostomy care under the proposed PDPM LTC methodology?

There will no longer be stand-alone add-ons for residents on ventilators or receiving tracheostomy care. The proposed PDPM methodology assigns individuals with the following Minimum Data Set (MDS) items to the highest nursing component group (Nursing Group E), which will receive the highest total reimbursement rate:

- O0100E2 – Tracheostomy care while a patient
- O0100F2 – Ventilator or respirator while a patient

- O0100M2 – Isolation or quarantine for active infectious disease while a patient

Q 4. Why is a positive diagnosis for human immunodeficiency virus (HIV) or acquired immunodeficiency syndrome (AIDS) singled out for a special add-on? What is the justification for why this add-on is necessary?

The PDPM LTC methodology mirrors the reimbursement for residents with HIV or AIDS in a Skilled Nursing Facility (SNF). Medicare PDPM reimburses providers for costs associated with additional staffing, training, supplies, and care associated with an HIV/AIDS diagnosis, paying an additional 18% for the nursing rate and assigning them to the highest Non-Therapy Ancillary (NTA) group. The proposed PDPM LTC methodology classifies residents with HIV/AIDs diagnoses to the highest case-mix index (CMI) NTA group. HIV/AIDS diagnoses cannot be reported on MDS assessments due to current federal and state regulations, so providers will need to submit claims and indicate 'B20' for the ICD-10 Code on claims for appropriate residents. HHSC will provide additional information regarding claiming procedures as it becomes available.

Q 5. The proposed PDPM LTC methodology includes only six nursing groups. Will HHSC eventually introduce all 25 possible CMS [Centers for Medicare and Medicaid Services] SNF PDPM nursing groups?

The 88th Texas Legislative Session directed HHSC to implement a Texas version of the PDPM methodology. The proposed methodology was developed in collaboration with stakeholder representatives through the Nursing Facility Payment Advisory Committee (NF PMAC). The Texas version of PDPM includes six nursing groups. At this time, HHSC does not anticipate adding an additional nursing group as part of the proposed PDPM LTC methodology.

Q 6. Hospice providers enter into an agreement with nursing facilities to pay 95%, but not more than 100%, of room and board for nursing facility hospice residents. How will the payment from Hospice to nursing facilities function under the new proposed methodology and new rates?

The proposed methodology does not include any changes related to reimbursement for hospice care. Hospice care in nursing facilities will continue to be reimbursed at 95% of the total rate per resident's PDPM LTC group, as per Title 26 of the Texas Administrative Code (TAC) Section 266.305, relating to General Contracting Requirements. The proposed new rule Title 1 TAC Section 355.318(f) defines reimbursement for hospice care in a nursing facility under the proposed methodology without changes.

Q 7. Will there be further education for providers on the proposed changes relating to RN [Registered Nurse] certification, Minimum Data Set (MDS) changes, and other topics?

HHSC will provide information regarding upcoming training as that information becomes available.

Q 8. Will the new reimbursement methodology include payment for physical, occupational, and speech/language therapy (PT/OT/SLP) components?

Texas Medicaid daily care rates do not include payments for PT/OT/SLP components. Reimbursement for therapies under Medicaid will be maintained through Nursing Facility Specialized Services.

Q 9. Will the new reimbursement methodology have any impact on Prescribed Pediatric Extended Care Center (PPECC) reimbursement?

HHSC does not anticipate changes to PPECC reimbursement associated with the transition to the PDPM LTC methodology for nursing facilities.

Q 10. Will the new reimbursement methodology have any impact on STAR Kids MDCP, STAR+PLUS HCBS, or other programs or services?

HHSC is currently evaluating the potential impact of the PDPM LTC methodology on other programs.

Q 11. Can you explain how the 25 nursing groups in the Centers for Medicare & Medicaid Services (CMS) SNF PDPM methodology will be mapped to the six PDPM LTC nursing groups?

See the table below. The following crosswalk was developed during meetings between HHSC and NF PMAC. NF PMAC recommended that HHSC proceed with this approach for the PDPM LTC methodology.

CMS SNF PDPM Nursing Group	Combined as	PDPM LTC Nursing Group	Nursing Group Category Description
ES3, ES2, ES1	→	E	Extensive services
HDE2, HDE1, HBC2, HBC1	→	H	Special Care High
LDE2, LDE1, LBC2, LBC1	→	L	Special Care Low
CDE2, CDE1, CBC2, CBC1, CA2, CA1	→	C	Clinically Complex
BAB2, BAB1, PDE2, PDE1	→	B	Behavioral and Cognitive Symptoms

PBC2, PBC1, PA2, PA1	→	P	Reduced Physical Function

Q 12. What is the Brief Interview for Mental Status (BIMS) score value needed to qualify for additional reimbursement? What BIMS score is determined as "severe cognitive impairment"?

The proposed calculation logic for the BIMS rate component is described in the proposed rule, which will be posted in the *Texas Register* and available on the PDPM LTC webpage here: https://pfd.hhs.texas.gov/long-term-services-supports/nursing-facility/patient-driven-payment-model-long-term-care-rate-setting-methodology-nursing-facilities.

A resident qualifies for additional reimbursement if the BIMS section of MDS indicates a severe cognitive impairment. The BIMS component adds 5% of the highest CMI-adjusted nursing rate. Nursing Group E is associated with the highest nursing CMI; therefore, the BIMS rate component will be calculated as 5% of the Nursing Group E CMI-adjusted rate.

MDS 3.0 item C0500 provides a BIMS Summary Score that ranges from 00 to 15 (99 is assigned if the interview is not completed). A patient's cognitive level is calculated using the following scoring, according to the PDPM Calculation Worksheet for SNFs posted on the CMS website:

Cognitive Level	Score
Cognitively Intact	13-15
Mildly Impaired	8-12
Moderately Impaired	0-7

Severely Impaired	-

HHSC uses the following selection criteria to determine severe cognitive impairment based on a resident's MDS data:

C0500 (BIMS resident interview = 99 or blank, meaning the patient could not complete the interview or the interview was not done)

AND:

- B0100 (Comatose, value = 1 meaning the patient is in a coma)

OR:

- C1000 (Impaired cognitive skills, value = 3 meaning the patient has severely impaired cognitive skills).

Q 13. How will the rate be adjusted during the transition period to ensure support to Nursing Facility (NF) providers in order to maintain the quality of services (i.e., "hold harmless")?

The 88th Texas Legislative Session directed HHSC to develop and implement a Texas-specific version of the PDPM rate methodology. This legislative directive was included in the 2024-25 General Appropriation Act, House Bill 1, passed during the 88th Regular Session in 2023 (Article II, HHSC, Rider 25). Rider 25 provides additional appropriations of $99,920,196 in All Funds. This funding will be incorporated into the proposed payment rates. HHSC anticipates proposing rates and holding a public rate hearing in late summer 2024. HHSC will provide more information as it becomes available.

Q 14. Will the new methodology be budget-neutral, or do you anticipate an increase in costs?

The adopted PDPM LTC payment rates will include current appropriations plus Rider 25 appropriations.

Q 15. Under PDPM LTC, will the rate enhancement program remain?

HHSC is proposing TAC amendments related to nursing costs under PDPM LTC. See the new proposed rule 1 TAC Section 355.320 concerning Nursing Care Staff Rate Enhancement Program for Nursing Facilities on or after September 1, 2025, which will be posted in the *Texas Register* and available on the PDPM LTC webpage here: https://pfd.hhs.texas.gov/long-term-services-supports/nursing-facility/patient-driven-payment-model-long-term-care-rate-setting-methodology-nursing-facilities.

Q 16. Will HHSC update the CMI for rebasing rates when CMS updates them?

There will not be an automatic CMI adjustment due to the anticipated fiscal impacts of doing so. HHSC will evaluate the impact of CMI adjustments under PDPM LTC for legislative consideration.

Q 17. Is the PDPM LTC non-case-mix component going to be facility-specific based on individual cost reports or statewide based on all cost reports?

The non-case mix component will be calculated as a weighted median from the most recently examined cost reports, inflated from the reporting period to the projection period. The proposed calculation logic is described in proposed rule 1 TAC Section 355.318, which will be posted in the *Texas Register* and available on the PDPM LTC webpage here: https://pfd.hhs.texas.gov/long-term-services-supports/nursing-facility/patient-driven-payment-model-long-term-care-rate-setting-methodology-nursing-facilities.

Q 18. Will reimbursement for NF Medicaid payments under managed care follow the PDPM LTC methodology?

The managed care minimum fee schedule will be maintained under PDPM LTC.

Q 19. Will Section Long-Term Care Medicaid Information (LTCMI) still be required for a resident's assessment?

Yes, completion of Section LTCMI will still be required. Completion of Section LTCMI provides HHSC with information not present in the MDS that is required for processing, reporting, and data analytics. Additionally, completion of Section LTCMI triggers the required review for Medical Necessity. Section RUG will no longer be required once PDPM LTC is implemented, and that Section will no longer appear in the LTC Online Portal for MDS used for PDPM LTC.

Q 20. If an LTCMI is still required, and we are using PDPM LTC levels for payment, will IVs received in a hospital affect rates?

Data collected in Section LTCMI is not used in the calculation of RUG groups and will also not be used for PDPM LTC calculations. Section O responses completed as "while a resident" will be used for calculating PDPM LTC payment groupers.

Q 21. If Section GG will be in the MDS on the LTC Online Portal in August, will the current LTCMI that includes Section G start using GG coding at that time (e.g., before September 1, 2025)?

Section GG will not be used prior to the implementation of PDPM LTC. The fields from Section G that are required for RUG calculation will remain under Section RUG until the new methodology is implemented.

Q 22. Can the HIV/AIDS diagnosis be added to the LTCMI?

According to the Texas Health and Safety Code (THSC) Section 81.103, it is prohibited to input selected International Classification of Diseases, Tenth Revision (ICD-10) diagnosis codes for HIV/AIDS in the MDS. LTCMI is considered part of MDS under Texas Medicaid. Therefore, HIV/AIDS diagnoses will be coded only on Daily Care claims.

Q 23. Will users continue to submit MDS via CMS, or will Texas use a different version that users will be required to submit MDS data to?

Texas will continue to extract and utilize data from the CMS version of the MDS.

Q 24. Will payment be effective from the Assessment Reference Date (ARD) of the MDS or the Registered Nurse (RN) signature date?

ARD will continue to drive the MDS version used and the calculation of PDPM LTC, as opposed to RUG. Level of Service records used for payment will be processed using Date of Admission from the MDS admission assessment and Date Signed as Complete on all other Omnibus Budget Reconciliation Act (OBRA) assessments. Further information on effective dates leading up to September 1, 2025, as well as the transition period, will be provided closer to implementation.

Q 25. Is there a PDPM LTC calculation document that details all elements/coding?

A PDPM LTC calculation worksheet will be published closer to implementation.

Q 26. Do Nursing and NTA component calculations mirror CMS Medicare specs exactly?

PDPM LTC calculations are based on the PDPM Calculation Worksheet for SNFs posted on the CMS website. Modifications have been made for PDPM LTC to remove components that will not be utilized. A PDPM LTC calculation worksheet will be published closer to the implementation date.

Q 27. Will signs and symptoms of depression have any bearing?

Signs and symptoms of depression are considered in the Nursing component of PDPM LTC. A PDPM LTC calculation worksheet will be published closer to the implementation date.

Q 28. Will section GG items have any bearing?

Section GG is utilized in the calculation of the Nursing component for PDPM LTC. A PDPM LTC calculation worksheet will be published closer to the implementation date.

Q 29. Will only OBRA assessments count?

There is no change in the type of assessments used for Medicaid payment. Only OBRA or OBRA/Combined assessments will be utilized.

Q 30. Will there be any changes to the existing Medicaid assessment inclusion criteria?

There is no change in the type of assessments used for Medicaid payment. Only OBRA or OBRA/Combined assessments will be utilized.

Q 31. If the resident has a RUG effective 8/1/2025, and the next assessment is not for 90 days, will the PDPM LTC rate be effective after the next MDS assessment? Or will a new MDS assessment need to be completed sooner than the next one scheduled quarterly?

Individuals will transition from RUG to PDPM LTC after completion of MDS assessments following their regular MDS cycle. Off-cycle assessments will not be required.

Q 32. Will there be a crosswalk for billing under PDPM LTC payment groupers?

Yes, HHSC will update the Long-term Care Bill Code Crosswalk to reflect the new rate structure associated with the PDPM LTC classification system, and additional billing information will be provided closer to implementation.

Q 33. Will therapy minutes still be included in the look-back widow? Will GG scoring be accounted for in determining Activities of Daily Living (ADL) levels?

Therapy minutes are not considered part of PDPM LTC. Section GG will be utilized. A PDPM LTC calculation worksheet will be published closer to the implementation date.