



Countdown to PDPM: Putting It All Together

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This is the eighth edition of the Countdown to PDPM. The series continues to build on prior postings on Patient Driven Payment Model (PDPM). If you missed any of those, or need to review, [click here](#) to access them. This time, we going to take a brief review of the prior *Countdown* postings and put them all together to calculate the PDPM.

As a reminder, PDPM has five case-mix adjusted components: PT, OT, SLP, NTA, and Nursing. There are a total of 16 PT groups, 16 OT groups, 12 SLP groups, 6 NTA groups, and 25 nursing groups. Each patient is classified into one group for each of the five components based on the relevant MDS 3.0 data.

Each of the PDPM groups have their own case-mix indexes and base rates. PDPM applies variable per diem payment adjustments to three components, PT, OT, and NTA, to account for changes in resource use over a stay. The adjusted PT, OT, and NTA per diem rates are then added together with the unadjusted SLP and nursing component rates and the non-case-mix component to determine the full per diem rate for a given patient.

CMS has provided a [PDPM Calculation Worksheet for SNFs](#) which illustrates the steps we have been discussing in this series of posts. The total case-mix adjusted PDPM per diem rate equals the sum of each of the five case-mix adjusted components and the non-case-mix adjusted rate component. The Non-Case-Mix component rate is based upon facility-specific factors such as the costs of room and board, capital costs, and overhead operations. The Non-Case-Mix component rate is constant throughout the Medicare A stay.

To calculate the total case-mix adjusted per-diem rate, add all component per diem rates calculated together, along with the non-case-mix rate component, as shown in the following equation:

$$\text{Total Case-Mix Adjusted Per Diem Payment} = (\text{PT Component Per Diem Rate} * \text{PT Variable Per Diem Adjustment Factor}) + (\text{OT Component Per Diem Rate} * \text{OT Variable Per Diem Adjustment Factor}) + \text{SLP Component Per Diem Rate} + (\text{NTA Component Per Diem Rate} * \text{NTA Variable Per Diem Adjustment Factor}) + \text{Nursing Component Per Diem Rate} + \text{Non-Case-Mix Component Per Diem Rate}$$

There is an [Interrupted Stay Policy](#) being implemented by CMS with PDPM which you should be aware of. This policy gives clarification regarding the determination of when Medicare will treat multiple SNF stays occurring in a single Part A benefit period as a single “interrupted” stay, rather than as separate stays, for the purposes of the assessment schedule and the variable per diem payment schedule. The [PDPM FAQ](#), which is available on the [CMS PDPM](#) page can also be very helpful when seeking clarification regarding this new system.

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*This post is based upon details currently available from CMS at the time of publication.
Please refer to the [CMS PDPM page](#) for more information.*