



RUG

PDPM

What this month's Medicare changes could mean for you

Medicare has made significant changes starting in October 2019. As a benefit recipient, you may not see much difference, It is important, however, to know how some of these changes are affecting providers of healthcare services.

Medicare and Advantage programs have shifted away from 3-day qualifying hospital stays. This move can put at risk Part A coverage for skilled rehab services for elderly individuals. Many hospitals are sending patients directly home, sometimes with home health care, or into a Part B service network. Patients are generally expected to pay as much as 20 percent for co-insurance or deductibles.

Many hospitals more frequently are using the 72-hour observation window more without adequately informing patients about the consequences of this practice. With observation status, you may be in a hospital's building, but you might not have ever been admitted. This practice does not meet the 3-day hospitalization-stay to qualify for Medicare coverage in a rehab or skilled nursing care center.

The new Patient Driven Payment Model (PDPM) will change how skilled rehab centers deliver services. The PDPM concept—reimburse centers for treating more medical complex patients instead of reimbursing for minutes in rehab—

is great. The harsh reality? Decreased payments to providers of rehab services. This fact may lead rehab centers increasing their rates.

While measuring outcomes for the whole person is good. How quickly you must achieve those outcomes in rehab may accelerate.

Providers, again are caught in the middle by Medicare design changes, are

- Expected to do more with less compensation
- Achieve better outcomes

Of course, Medicare knows providers will adapt and adjust their service to accommodate this new payment model. So in the end, smaller payments will likely mean reduced services.

These changes will not happen overnight. Although you may never experience their impact, you can expect a different experience since, for instance, you had your knee replaced last year. And, now when you're ready for surgery on your other knee you may notice several changes in your rehab regime.

Medicare Advantage programs generally have not yet adopted PDPM. They are waiting for the pioneers to navigate new territory before evaluating how to incorporate these same savings into their programs.

Just remember, savings for third-party payors is the holy grail!

No matter circumstances, Medicare aims to reduce its overall spending on healthcare costs. It must because the continuing escalation of costs is untenable and must be addressed.

Medicare has changed payment design models before and will do so again in the future. Let's be thankful that nearly all healthcare systems in USA are still focused on quality patient care and outcomes. We will find a way to absorb these compensation changes and sustain our commitment to quality healthcare.

A handwritten signature in cursive script, appearing to read "Selwa".

October 9, 2019