

The smallest of the three behavioral adjustments in regard to effects of payment is comorbidity coding. Comorbidity and functional group scores are somewhat higher than anticipated.

This may be partly related to CMS' assumptions regarding improved coding under PDGM. But the apparent increase in case-mix severity shown in the data could also relate to the overall reduction in volume of home health services that accompanied the onset of the COVID-19 pandemic, the comment letter states.

“The data are the data. It reveals that the behavioral assumptions that are part of the model have proven not to be accurate,” Cunningham says. “We predicted this. We cautioned and had great concerns about CMS making payment policy using assumption-based rate reductions and commented extensively our thoughts about the behavioral assumptions and why we thought provider behavior would not match those assumptions.”

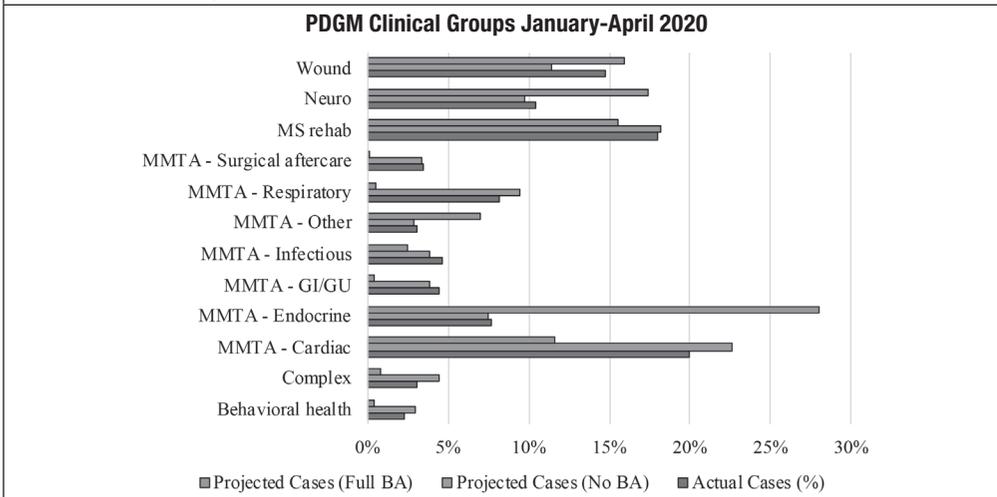
This is largely evident in the data showing LUPA thresholds, Cunningham says.

“The LUPA threshold was the largest portion of the 4.36% cut,” she adds. “It’s pretty compelling. You can see clearly what the trendlines show. January and February were pre-COVID-19,” she says. “While LUPAs have certainly increased as a result of COVID-19, as you’d expect, we certainly saw some January and February data that also spoke to the fact that providers were not behaving as CMS expected in respect to LUPA thresholds. This, to me, speaks to the need for hitting the pause button on the 4.36% reduction.” Markette agrees.

“Instead of making assumptions, let’s go back and look at the data,” he says. “If the data show the industry as a whole changed behavior related to LUPAs or coding practices, then fine. Otherwise, don’t make a change without the data to back it up.”

**Agency behavior around clinical groups differs from what CMS expected**

This chart shows the percentage of periods that ended up in each PDGM clinical group compared to CMS' projections, with the behavior adjustment and without. In many cases the percentage of periods that actually ended up in each of these groups more closely resembles CMS' projections without the behavioral adjustment.



Source: Dobson|DaVanzo analysis of home health claims

## Data reveal therapy utilization trends in first year of PDGM

An analysis of PDGM data show that agencies may not have pulled back on therapy visits in 2020 as much as some may have expected.

When looking at the total number of therapy visits per period for the first 10 months of 2020, therapy represented 47% of total visits, up 1% when compared to the CMS Limited Data Set (LDS) for all periods in 2018.

While the average number of visits for all disciplines was down in 2020 compared to CMS' 2018 data, therapy continues to make up nearly half of all home health visits delivered, as it did in 2018. The data reflect 30-day period claims billed from January through October 2020 pulled from Strategic Healthcare Programs' National Client Database. See more of the data.

"The perception heading into PDGM was that therapy utilization was going to go down," says Nick Seabrook, managing principal and founder of BlackTree Healthcare Consulting in King of Prussia, Pa.

The data tell a different story that therapy is still very relevant under PDGM and still making up about half of the visits.

### Effects of COVID-19 on therapy

While the data show that overall therapy use seems to be holding its own, some therapy experts are seeing therapy being driven down by the ongoing COVID-19 public health emergency, which has impacted the volume of patients that home health is seeing for post-surgical treatments that drive home health therapy referrals. That includes things such as elective joint replacements, says Diana Kornetti, COO of Kornetti and Kraft Healthcare Solutions in Fernandina Beach, Fla.

Additionally, COVID-19 has impacted home health visits in the shape of decreased access to patients and an unwillingness to have providers in the home, Kornetti adds. On top of that, some agencies were forced to cut back on their caseloads in response to increased costs and administrative burdens that came with new regulations.

### Tread lightly around LUPA thresholds

It's important to closely track all visits including therapy visits to ensure they are needed for the conditions treated.

It reduces the risk for overpayments when faced with ADRs that are checking to make sure agencies are not just providing the minimal number of visits to get the full payment while the patient could benefit from more, says Texas-based coding manager, Karen Carter, HCS-D, who works for the Corridor Group.

The Office of Inspector General (OIG) also has shone a spotlight on those payment periods involving therapy that have visit numbers close to LUPA thresholds.

Avoidance of LUPAs should not be the primary reason for inclusion of therapy services in the home health setting. And the OIG has mentioned periods with visits on the cusp of LUPA thresholds as those that are under auditors' watch.

"The bottom line is that if a patient needs therapy, this should be in their plan of care," Carter says. "If a therapist can meet patient goals and education in one or two visits, this could be a LUPA episode."

## Tips for cost-effective therapy use

Therapy can and should be ordered whenever the findings of the comprehensive assessment, including the OASIS data set, reflect a deficit that appropriately drives a PT, OT or SLP evaluation, Kornetti says.

“Therapy referrals will allow the discipline-specific clinician to establish a baseline of impairments in function, determine the appropriate course of care (restorative or maintenance) and provide patient-specific care plans that support the need for skilled care to achieve goals,” she adds.

Decisions about visit utilization should be “informed by the outcomes identified for patients to discharge safely back to the community at their prior level of function,” Kornetti says. “Therapy should be supporting these overarching outcomes while taking into consideration the goals of the patients and their families.”

“It really comes down to proper care plan management and frequent case conferencing,” Seabrook adds.

### Average therapy visits in first year of PDGM

This chart shows the average number of therapy visits that agencies performed in the first 10 months of PDGM compared to the average number of therapy visits in CMS' Limited Data Set for all periods in 2018. Therapy represented 47% of total visits in 2020 — up 1% when compared to the CMS Limited Data Set for all periods in 2018. The 2020 data reflect a total of 4.56 million 30-day period claims billed from January through October 2020, as of January 8, 2021, pulled from Strategic Healthcare Programs National Client Database.

Clinical group	CMS LDS Files — 2018			SHP CY 2020 Jan-Oct Claims			%Variance		
	All visits	Non-Therapy Visits	Therapy Visits	All Visits	Non-Therapy Visits	Therapy Visits	Avg visits	Non-Therapy Visits	Therapy Visits
Behavioral health	7.84	4.44	3.39	6.95	3.39	3.56	-11.3%	-23.8%	5.0%
Complex nursing intervention	6.59	5.05	1.54	5.46	4.37	1.09	-17.2%	-13.5%	-29.2%
MMTA - Cardiac/circulatory	9.23	5.71	3.52	7.96	4.44	3.52	-13.8%	-22.2%	-0.2%
MMTA - Endocrine	11.14	8.09	3.05	9.58	6.48	3.09	-14.0%	-19.9%	1.5%
MMTA - GI/GU	9.17	5.45	3.71	8.09	4.60	3.50	-11.7%	-15.7%	-5.8%
MMTA - Infectious disease	8.77	5.67	3.10	7.67	4.60	3.07	-12.5%	-18.9%	-1.0%
MMTA - Other	9.16	5.95	3.21	8.07	3.74	4.33	-11.9%	-37.1%	34.9%
MMTA - Respiratory	9.39	5.27	4.12	8.32	4.43	3.89	-11.4%	-15.9%	-5.7%
MMTA - Surgical aftercare	9.62	5.89	3.73	8.70	5.19	3.52	-9.6%	-11.9%	-5.8%
Musculoskeletal rehabilitation	10.53	3.88	6.65	9.19	2.83	6.36	-12.7%	-27.1%	-4.2%
Neuro/stroke rehabilitation	11.23	4.19	7.05	9.52	3.17	6.35	-15.3%	-24.4%	-9.9%
Wounds	10.87	8.52	2.35	9.59	7.67	1.92	-11.8%	-10.0%	-18.3%
Overall	9.86	5.33	4.53	8.63	4.60	4.04	-12.5%	-13.8%	-10.9%

Source: Strategic Healthcare Programs National Client Database