What Physicians Need to Know:

Home Health Patient-Driven Groupings Model (PDGM)

In November 2018, CMS finalized a new case-mix classification model, the Patient-Driven Groupings Model (PDGM), effective beginning January 1, 2020. The PDGM relies more heavily on clinical characteristics and other patient information to place home health periods of care into meaningful payment categories and eliminates the use of therapy service thresholds.

- **Your attention to timely signing of Orders and the Home Health Plan of Care will greatly impact the ability of home health agencies to bill Medicare in a timely way.**

- **It is very important that the principal diagnosis be as specific as possible. Reimbursement to the home health agency under PDGM for your ordered services in part is based on assignment to one of 12 clinical groups, which represent the primary reason the patient requires home care. Vague, ill-defined, or symptom diagnoses cannot be reported as the principal diagnosis under the PDGM.**

- **It is also important to include the secondary diagnoses (i.e., comorbidities) as the presence of certain comorbid conditions will also adjust home health payment to help ensure that payment is in alignment with home health resource needs.**

For additional information about the continued physician responsibility for certifying eligibility for home health services, please see SE 1436 (below).
References:

[Certifying Patients for the Medicare Home Health Benefit SE 1436](#)

CY 2019 Home Health Final Rule on [Federal Register](#)
[MLN Matters Article MM11081- PDGM - Split Implementation](#)
[PDGM - Split Implementation - Change Request 11081](#)

This document was developed through the A/B Medicare Administrative Contractor Provider Outreach & Education Collaboration Team. This joint effort ensures consistent communication and education throughout the nation on a variety of topics and assists the provider and physician community with information necessary to submit claims appropriately and receive proper payment in a timely manner.

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