

# Patient Driven Payment Model

Effective for dates of service 10/01/2025

# Overview

Effective October 1, 2025 the Rhode Island Office of Health and Human Services will be adopting the Centers for Medicare and Medicaid (CMS) Patient Driven Payment Model (PDPM).

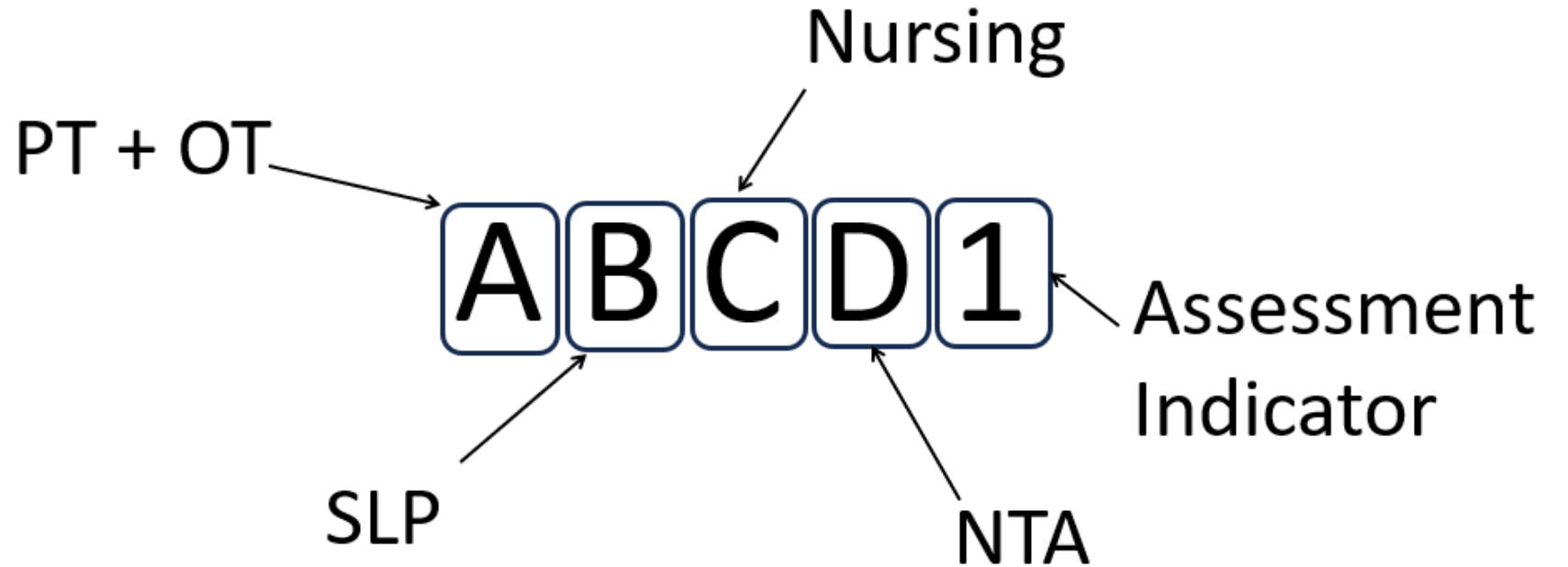
Payment for services will be based on Minimum Data Set (MDS) v3.10.1 or the most current version. As with the Resource Utilization Group (RUG) assessment, nursing home providers will be required to complete assessments and submit them to CMS.

The MDS assessment is a clinical tool used to identify all residents' strengths, weaknesses, preferences, and needs in key areas of functioning.

PDPM Consists of 5 major components: Physical Therapy, Occupational Therapy, Speech-Language Pathology, Non-therapy Ancillary assessment, and Nursing Care.

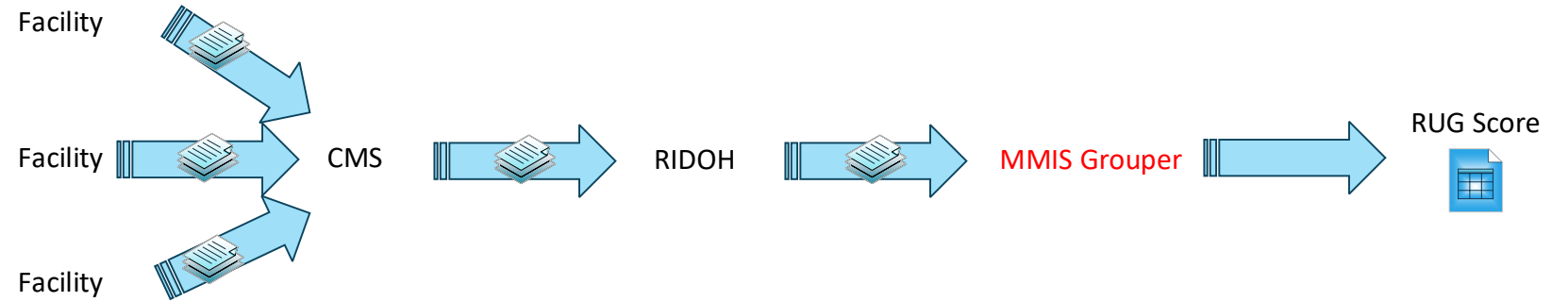
At this time, the 3<sup>rd</sup> character of the provider supplied 5-character HIPPS code will be used to price the claim. OHHS will be supplying rates to all facilities.

# HIPPS Code Breakdown

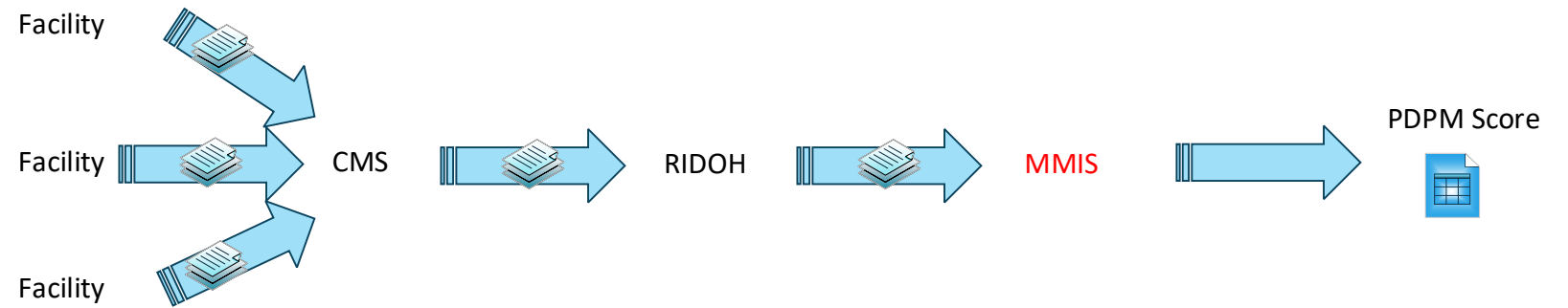


# RUG vs PDPM

## RUG



## PDPM



# Implementation



PDPM will apply to nursing home or hospice stays with Dates of Service (DOS) on or after October 1, 2025. The first claims will be processed with the Nursing Home Financial Cycle in November 2025.



Nursing home providers will continue to conduct assessments and submit them to CMS as Minimum Data Set (MDS) records per CMS guidelines.



After reviewing the MDS record submissions, CMS will continue to forward the MDS records to the State of Rhode Island (RI) Department of Health (DOH).



Typically, on Mondays, RIDOH will send all MDS records received from CMS during the previous week to Gainwell and they are processed and loaded to the Medicaid Management Information System (MMIS) as part of overnight batch processing.



Claims with a From Date of Service on or *after* October 1, 2025, will be processed using PDPM weights. Claims with a From Date of Service *before* October 1, 2025, will be processed using RUG weights



MDS records **will not be processed by a Grouper** to determine the PDPM code. Instead, the **nursing home component, which is the 3<sup>rd</sup> character of the** provider calculated PDPM code on the MDS record (MDCR\_HIPPS\_TXT / Zo100A) will be used by MMIS. MDS records with no PDPM code will be processed as the base weight, "ZZZZ".

# MDS Record Types

MDS Record Type	MDS Record Description	MDS_ITM_SBST_CD Sort Value
NT	Entry / Tracking	09
NC	Nursing Comprehensive	01
NQ	Nursing Quarterly	02
ND	Nursing Discharge	08
IPA	Interim Payment Assessment	20
NP	Nursing PPS Assessment	03
NPE	Nursing PPS Discharge	10
XX	Inactivation Request	19

# MDS Record Processing Notes

Beginning with October 1, 2025 dates of service, the Optional State Assessment (OSA) MDS records will not be required. OSAs will only be required for retro-active RUG assessments with Assessment Reference Date (ARD) before October 1, 2025.

The Social Security Number (SSN) and recipient Date of Birth (DOB) on the MDS record will be used to identify a matching recipient in MMIS. Therefore, these fields should be completed for **every** MDS record submitted.

*Under RUG processing guidelines, certain RUG records may be submitted without an SSN or DOB. However, with changes in processing for PDPM, MMIS will require both the SSN and DOB to process all MDS records.*

The order MMIS will process a recipient's MDS records will be determined by the Submit Date on the record , from oldest to most recent.

# MDS Add Record Requirements

**The following requirements need to be met to successfully process MDS Add records:**

- **For MDS Add records, the Transaction Type Indicator (Type of Record) must be a “1”.**
- **The recipient SSN and DOB fields in Section A must be completed for every MDS Add record and match a recipient in the Healthcare Portal, or the MDS Add record will not be processed.**
- **MMIS will use the ARD on the MDS Add record as the unique key for each recipient’s PDPM record history.**

# MDS Add Record Requirements (cont'd)

- **When the Transaction Type Indicator is a 1, the ARD field will be used as the effective Begin Date for a PDPM record in MMIS.**
- **If the ARD field is blank on an Entry / Tracking (NT) MDS record, then the Entry Date field will be used as the Begin Date of the PDPM record in MMIS.**
- **If an MDS record has an ARD which overlaps with the End Date of another PDPM record in MMIS, the previous PDPM record will be end dated one day before the new PDPM record**
- **If an MDS record has an ARD which matches another record for the same recipient and the Transaction Type Indicator is not a 2 or 3 , indicating that the MDS record is a correction or inactivation record, then the MDS record will not be processed.**

## **MDS Add Record Requirements (cont'd)**

- **If the Entry Date field is not blank or “^” filled, then it must be formatted “YYYYMMDD”. Any other format or an invalid date will cause MMIS to not process the record.**
- **The effective End Date of a PDPM record will be “End of Time” (December 31, 2382). When a new MDS assessment is received with a new ARD or Entry Date, then the previous PDPM record will be end dated the day before the new ARD. MMIS will allow retroactive MDS assessments to be submitted and processed and will accommodate the effective Begin and End dates according to the newly received assessment.**

# MDS Correction and Inactivation Record Requirements

**The following requirements need to be met to successfully process MDS Correction or Inactivation records:**

- **For MDS Correction records, the Transaction Type Indicator (Type of Record) must be a “2”. For MDS Inactivation records, set the Transaction Type Indicator to “3”.**
- **For MDS Correction or Inactivation records, the Correction SSN and DOB fields located in Section X must be completed or the MDS record will not be processed.**
- **The SSN and DOB in Section X must match the SSN and DOB on the PDPM record that is being corrected or inactivated.**

# MDS Correction and Inactivation Record Requirements (cont'd)

- The Correction ARD field in Section X must be completed. This identifies the PDPM record in MMIS which needs to be corrected or inactivated.
- For an MDS Correction record, the Medicare HIPPS Text field in Section Z must be completed to change a PDPM code for a PDPM record in MMIS. If the Medicare HIPPS Text field is left blank on the MDS Correction record, then no update to the PDPM code will be made.

*Please see the “PDPM Information Guide” that is located on the [www.EOHHS.RI.Gov](http://www.EOHHS.RI.Gov) website for more detailed information on all record type requirements. From the home page select Providers and Partners>Provider Directories>Nursing Homes*

## Example 1: New NC record type is received.

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.12.2025
NQ	EFGH	11.13.2025	12.31.2382

A new Comprehensive Assessment (NC) MDS record is received with an ARD of 12.15.2025. The recipient's MDS records will be updated to the following:

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.12.2025
NQ	EFGH	11.13.2025	12.14.2025
NC	IJKL	12.15.2025	12.31.2382

## Example 2: New IPA record type is received

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.12.2025
NO	EFGH	11.13.2025	12.31.2382

**A new Interim Payment (IPA) MDS record is received with an ARD of 11.01.2025 and PDPM code of ABCD. The recipient's MDS records will be updated to the following:**

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	10.31.2025
IPA	ABCD	11.01.2025	11.12.2025
NO	EFGH	11.13.2025	12.31.2382

# Entry Tracking (NT) and Discharge (ND)

- PDPM processing will require separate Entry Tracking (NT) and Discharge (ND) assessments. Therefore, if a recipient enters a facility and is subsequently discharged, MMIS will require separate Entry / Tracking (NT) and Discharge (ND) MDS record.

*• Under RUG processing guidelines, a singular assessment could be submitted to record a recipient's entry into a facility and subsequent discharge.*

*Please see the "PDPM Information Guide" that is located on the [www.EOHHS.RI.Gov](http://www.EOHHS.RI.Gov) website for more detailed information on all record type requirements. From the home page select Providers & Partners>Provider Directories>Nursing Homes*

# Discharge Records

- Both MDS record types ND and NPE are designated as Discharge record types.
- Only the ND record type indicates that the recipient has physically left the facility.
- NPE record type is used to indicate that the recipient's Medicare Part A has been exhausted.
- The ND record type and the NPE record type will be processed differently by MMIS.

*Please see the “PDPM Information Guide” that is located on the [www.EOHHS.RI.Gov](http://www.EOHHS.RI.Gov) website for more detailed information on all record type requirements. From the home page select Providers & Partners>Provider Directories>Nursing Homes*

# Example of an ND Record Type Received

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.12.2025
NQ	EFGH	11.13.2025	12.31.2382

**Discharge (ND) MDS record is received with an ARD of 12.01.2025, a Discharge Date of 12.16.2025, and a blank HIPPS Code. The recipient's MDS records will be updated as follows:**

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.12.2025
NQ	EFGH	11.13.2025	11.30.2025
ND	EFGH	12.01.2025	12.15.2025

# Example of an NPE Record Type Received

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	11.30.2025
NQ	EFGH	12.01.2025	12.31.2382

**A Nursing PPS Discharge (NPE) MDS record is received with an ARD of 11.01.2025. The recipient's MDS records will be updated:**

MDS Assessment Type	PDPM Code	Begin Date (ARD)	End Date
NC	ABCD	10.02.2025	10.31.2025
NPE	ABCD	11.01.2025	11.30.2025
NQ	EFGH	12.01.2025	12.31.2382

# Inactivation (XX) Records



The matching ARD of the record to be inactivated *must be* in the MMIS already so that the inactivation is successfully processed.



Because of this, the Inactivation (XX) record and the record to be inactivated must be created on different days with different Submit Dates.



The record must have the member's SSN, Date of Birth and the ARD of the record to be inactivated in Section X of the MDS record.

# Correction Records

The following data can be corrected using a Correction record:

- Discharge Date will only be corrected for an ND record type
- PDPM Code
- Entry Date
- If an MDS record was received where a member's SSN and date of birth did not match an existing recipient in the system

The ARD of the record to be corrected must be in the Correction ARD field.

The Correction record and the record to be corrected must be created on different days with different Submit Dates.

*For corrections to any other field, including the ARD, an Inactivation record type must be submitted, and a replacement record must be submitted with the correct data.*

# Claims Processing

# Claims Processing Logic

Claims using PDPM weight will reflect the current standards and rules as those claims processed for payment using a RUG weight.

As with RUG, all PDPM reimbursement weights are determined by the RI Office of Health and Human Services (OHHS).

If the DOS on the claim has no PDPM record, the claim will be suspended for 30 days and then deny if a record was not received.

A new claim must be submitted once the MDS record is received.

If an MDS record is received within the 30 calendar days, the claim will move on to process automatically.

Only claim type 26X will process using PDPM.

# Skill Level –Types of Bills

Verify that there is Medicaid eligibility and a LTC segment on the Healthcare Portal

Bill Type	Explanation
210	Medicare free days. Although there is no Medicaid payment, these days must be billed to set up payment for Medicare Co-insurance days or nonskilled days if the LTC segment is for the entire month and there is no discharge to the hospital. Pays \$0.
253	Medicare Co-Insurance days. Pays the coinsurance rate that applies to the dates of service for the year.
263	Medicaid only days. Pays based on PDPM.
Hospice	Members who have elected hospice services.

# **ZZZZ PDPM code for any dates of service on the claim**

A claim is submitted with the Dates of Service 11.01.2024 – 11.30.2024. The recipient has the following PDPM codes on file in the system.

**AJKL for 10.28.2024 – 11.12.2024**

**ZZZZ for 11.13.2024 – 11.14.2024**

**AJKL for 11.15.2024 – 11.30.2024**

**Because the recipient had an assessment of ZZZZ for the dates of service 11.13.2024 through 11.14.2024, the entire claim will process at the ZZZZ. The “default rate” or “base rate”.**

## Multiple assessments with different PDPM codes over the span of the claim.

- Claims whose recipient has multiple assessments with different PDPM codes over the span of the claim will be paid using the PDPM weight on file on the 15<sup>th</sup> of the month.
- The exception is if the recipient has an assessment with a ZZZZ PDPM code at any point during the claim's DOS, then claims payment processing calculation will use the ZZZZ weight in the claim's payment.

# Multiple PDPM codes in one month

A claim is submitted with the Dates of Service 11.01.2024 – 11.30.2024. The recipient has the following PDPM codes on file in MMIS:

AJKL for 10.28.2024 – 11.12.2024

BCDE for 11.13.2024 – 11.16.2024

QRST for 11.17.2024 – 11.30.2024

Because the recipient had an assessment of BCDE for 11.15.2024, the entire claim will process at BCDE, which is the PDPM code on the 15<sup>th</sup> of the month.

Dates of service on the claim that do not span the 15<sup>th</sup> of the month

**A claim is submitted with the dates of service 11.18.2024 – 11.30.2024. The recipient has the following PDPM codes on file**

**AJKL for 11.18.2024 – 11.22.202**

**BCDE for 11.23.2024 – 11.27.2024**

**QRST for 11.28.2024 – 11.30.2024**

**This claim will pay based on what the score is on the “To” date of service which is QRST.**

Dates of service on the claim that do not span the 15<sup>th</sup> of the month

A claim is submitted with the dates of service 11.01.2024 – 11. 14.2024. The recipient has the following PDPM codes on file:

AJKL for 10.28.2024 – 11.12.2024

BCDE for 11.13.2024 – 11.14.2024

This claim will pay based on what the score is on the “To” date of service which is BCDE.

# Remittance Advice

- The PDPM code used to determine the weight at which a claim was paid, along with the total amount of the claim payment, will be available on the Remittance Advice.
- If a claim paid using PDPM weights, the PDPM code will display where the RUG code normally appears. For a claim paid using RUG weights, the RUG code will display in its normal location.
- The Remittance Advice will continue to show the edit or Explanation of Benefits (EOB) for all claims which did not pay.

# PDPM Edits

Claims that suspended for PDPM will show one of the following edits:

- **Edit 252: PDPM / Rug Code Missing or invalid (ZZZZ/AAA)**
  - This edit will stamp when there is no PDPM code on file or PDPM code **ZZZZ** is determined. This indicates, there is no active assessment for the dates of service, or the assessment record contained a **ZZZZ** or blank PDPM code.
- **Edit 263: PDPM/RUG Provider Rate not on file**
  - This edit will stamp when there is no rate for the provider on file that is active.

# PDPM Explanation of Benefits (EOB)

Claims that deny for no PDPM weight will show one of the following:

- **EOB 916: PDPM/RUG code cannot be determined**
  - This EOB will stamp on the denied claim when there is no PDPM code on file or the PDPM code ZZZZ is found for any date in the DOS billed.
- **EOB 918: PDPM/RUG Provider Rate not on file**
  - This EOB will stamp on the denied claim when there is no provider rate on file.

Questions?