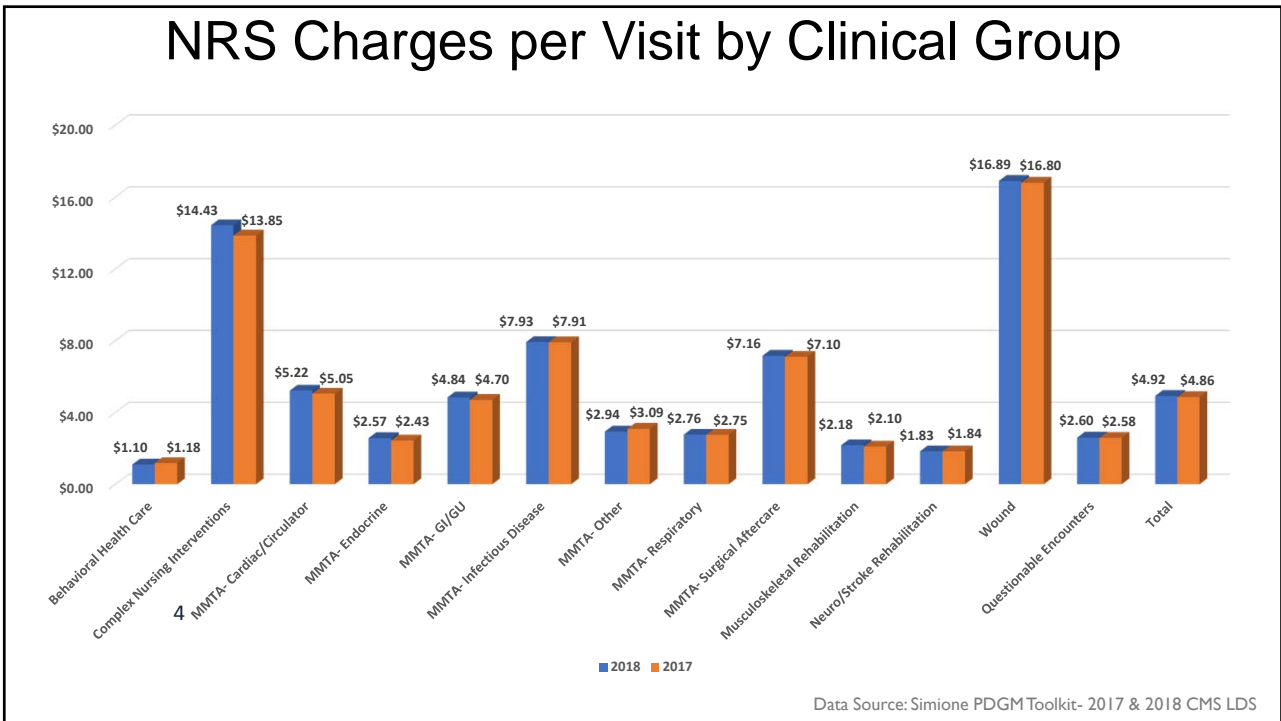
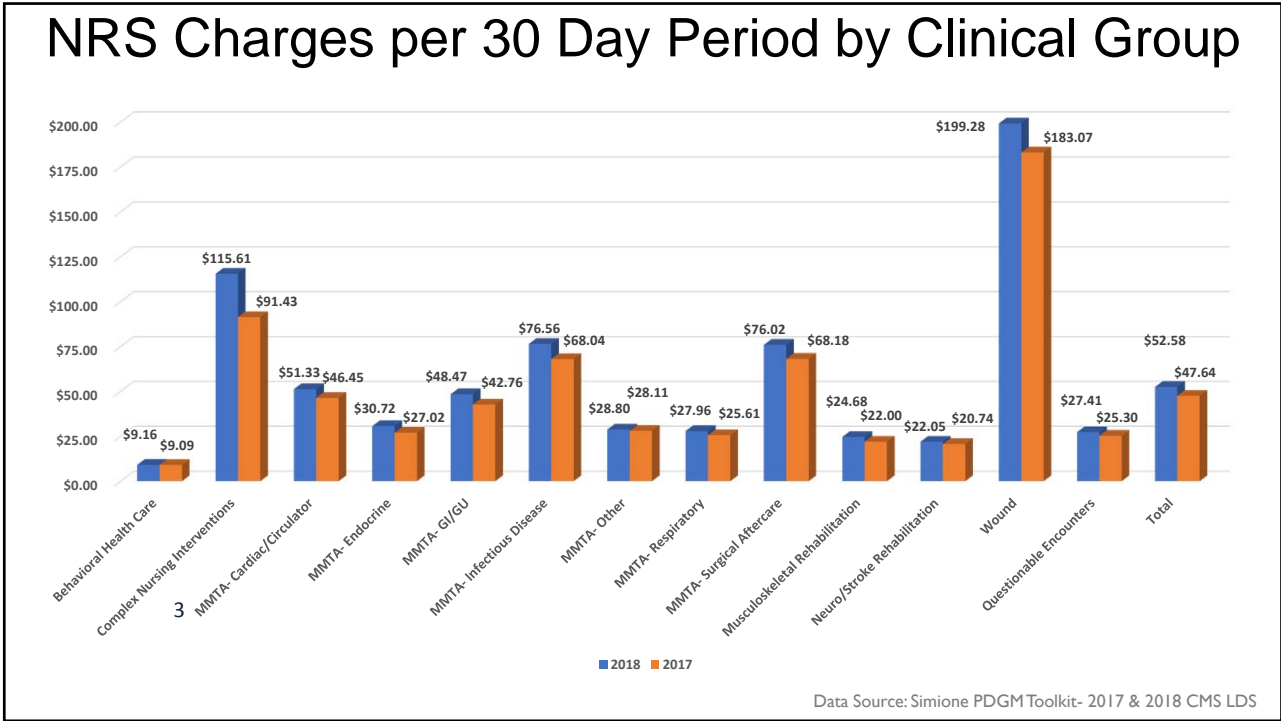


# Home Health PDGM Non-Routine Supplies

NAHC HHFMA Benchmark of the Month

- Overall NRS Charges per 30 Day Period
  - 2017: \$47.64                      2018: \$52.58
    - 10.4% increase from 2017 to 2018
- Overall NRS Charges per Visit
  - 2017: \$4.86                      2018: \$4.92
    - 1.2% increase from 2017 to 2018
- Calculation
  - 2017 & 2018 HH PPS LDS
    - Resource use for the 30-day period using the Cost Per Minute + NRS (Cost Report) approach to calculating resource use (CPM + NRS). This would be missing for observations that do not correspond to a 30-day period (i.e. when id is missing).
  - 2 • Cost per minute information is calculated from home health cost reports and home health claims. The cost per minute value corresponds to the 30-day period identified by the id variable.

Data Source: Simione PDGM Toolkit- 2017 & 2018 CMS LDS



- **Step 1: Evaluating the Data**
  - Higher acuity clinical groups (complex nursing interventions and wound care) have higher supply charges per period and per visit
  - Patients in these higher acuity clinical groups are projected to have an increase in reimbursement when comparing projected PPS payments to PDGM payments in 2020
  - However, this does not mean that these higher acuity patients have higher gross and net margins because the resource use and cost are significantly higher
  
- **Step 2: Moving from Charges to Cost**
  - What is your agency's mark-up on non-routine supplies?
  - What is your cost to charge ratio for non-routine supplies?
    - Information available on the cost report
    - Opportunity to evaluate the accuracy of your cost report data\*\*\*
    - Cost report data was instrumental in the development and implementation of PDGM

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- **Step 3: Identify Gross & Net Margin by Clinical Group**
  - **Utilization by discipline by clinical group**
  - **Cost per visit by discipline**
  - **Supply cost per visit or per period by clinical group**
  - Other **direct costs per visit (mileage, etc.)**
  
- **Step 4: Opportunities**
  - Targeted marketing by clinical group to referral sources
  - Development of clinical programs based on highest margin clinical groups
  - Re-evaluating your agency's medical supply cost and utilization
    - Vendors evaluation, benchmarking, resource utilization

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