



An Independent Licensee of the
Blue Cross and Blue Shield Association

October 2019

Att.: Skilled Nursing Facilities

Codes Changed October 1, 2019 for New Medicare Payment Model

After being introduced in 2018, the Centers for Medicare & Medicaid Services' new Patient-Driven Payment Model (PDPM) for skilled nursing facilities went into effect October 1, 2019.

What You Need to Know

Skilled nursing facilities need to use Resource Utilization Grouping (RUG) codes on claims submitted for discharges prior to October 1, 2019. For discharges on or after October 1, 2019, the new PDPM Health Insurance Prospective Payment System (HIPPS) codes should be used.

The only HIPPS codes you should use for discharges after October 1 are the PDPM HIPPS codes. These are what we report with the encounter claims data we submit to CMS. If the HIPPS code is not provided, the encounter will not be accepted by CMS.

Remember, the discharge date is the driver for which code to use. If the discharge was on or after October 1, 2019, the new PDPM HIPPS codes apply. If the patient was discharged prior to October 1, 2019, you will need to report the RUG codes.

More information about this change can be found [here](#).