Texas Association for Home Care & Hospice
Leading ★ Advancing ★ Advocating

57th Annual Meeting

Thursday, September 3, 2026
Republic ABC Room
2:45pm-3:45pm

6a. How to Make Confident Decisions When Every Visit Counts

Presented by:

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How to Make Confident Decisions When Every Visit Counts

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57th ANNUAL MEETING
September 1-3, 2026 | San Antonio, TX

Texas Association for Home Care & Hospice

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Learning Objectives

At the completion of this educational activity, the learner will be able to:

1. Describe the key components of the Patient-Driven Groupings Model (PDGM), including clinical grouping, functional impairment levels, comorbidity adjustment, and LUPA thresholds.
2. Differentiate between appropriate clinical utilization and utilization patterns that increase financial or compliance risk under PDGM.
3. Analyze patient case scenarios to determine visit planning strategies that align with clinical necessity and reimbursement structure.
4. Interpret agency-level PDGM performance indicators, including LUPA rate trends, case-mix weight distribution, and revenue variance.
5. Apply ethical decision-making principles when balancing patient-centered care with financial stewardship responsibilities.
6. Identify operational strategies that reduce avoidable LUPAs while maintaining quality and regulatory compliance.

PDGM Structure – The Foundation

PDGM Basics

- 30-day payment periods (not 60-day episodes)
- Payment based on **patient characteristics**, not therapy volume
- Five primary payment determinants:
  - Clinical Grouping
  - Functional Impairment Level
  - Comorbidity Adjustment
  - Admission Source (Community vs Institutional)
  - Timing (Early vs Late period)
- Case-Mix Weight × National Rate × Wage Index = Payment

Key Shift: Complexity drives reimbursement — not visit count.

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Clinical Groupings & Case-Mix Drivers

12 Clinical Groupings (examples):

- MS Rehab
- Neuro Rehab
- Wounds
- Behavioral Health
- Complex Nursing Interventions

Functional Impairment Level (Based on OASIS Items)

- Low
- Medium
- High

Comorbidity Adjustment

- None
- Low
- High

Reminder: Accurate OASIS + precise coding = correct case-mix weight.

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LUPAs & Utilization Impact

- **Low Utilization Payment Adjustment (LUPA)**
  - Each case-mix group has a variable visit threshold (2–6+ visits)
  - If visits fall below threshold → Per-visit payment instead of full case rate
  - LUPA can significantly reduce revenue for the period
- **Critical Considerations**
  - Visit timing matters
  - Avoid "accidental LUPAs"
  - Avoid unnecessary visits to chase thresholds
  - Every visit must be clinically justified

Bottom Line: PDGM rewards precision — not volume.

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PDGM Reality Check

- Complexity drives reimbursement
  - LUPA thresholds vary by case-mix group
  - Every visit impacts margin
  - Operational discipline now directly affects financial health

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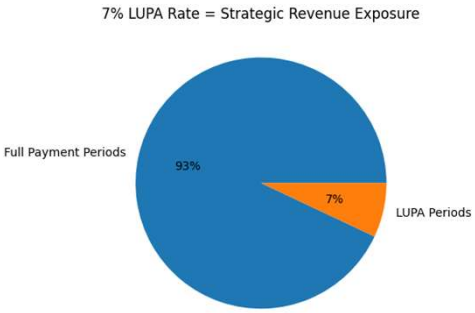
Understanding LUPA Thresholds

- Threshold ranges vary by clinical grouping
  - Missed thresholds significantly reduce reimbursement
  - Overutilization erodes margin
  - Requires proactive visit planning

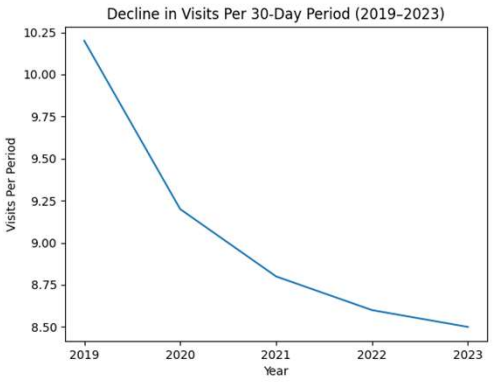
Data Impact on LUPAs

- **7% of 30-day periods were LUPAs in 2023**
  - **How Does Your Agency Compare?**
- LUPA thresholds range from **2–5 visits**
- Visits per 30-day period continue to decline post-PDGM



MedPac March 2025 Report

Decline in Visits Per 30-Day Period (2019-2023)

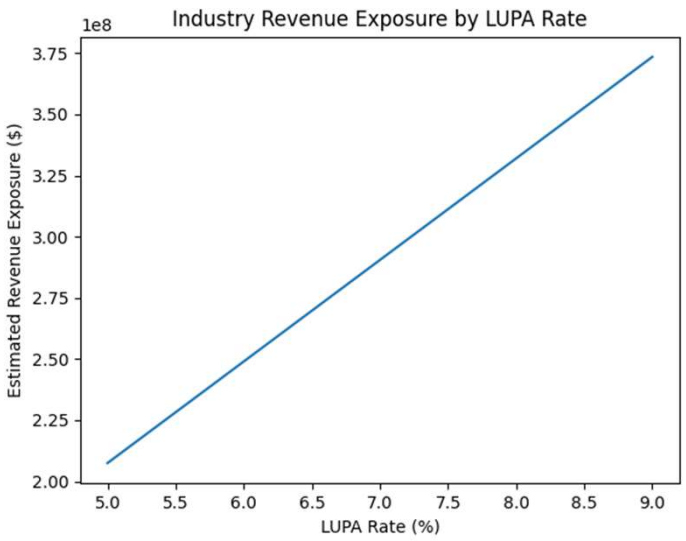


- Visits per 30-day period declined 16.7% since 2019. Lower visit intensity increases risk of falling below LUPA thresholds.

When Every Visit Counts

- Visit timing matters
  - Front-loading vs smoothing visits
  - Monitoring frequency adjustments
  - Avoiding unnecessary last-minute visits

Revenue Risk Occurs Only If LUPA Rate Increases



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Data Trend Interpretation

- Monitor LUPA rates monthly
  - Track average visits per period
  - Compare projected vs actual revenue
  - Review case-mix weight distribution

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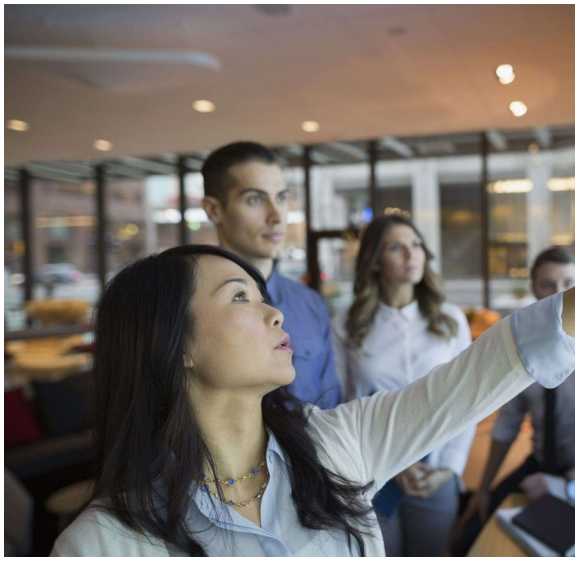
Financial Impact Estimation

- Revenue loss from LUPA conversion
  - Cost per visit analysis
  - Contribution margin per 30-day period
  - Agency-level LUPA trend forecasting



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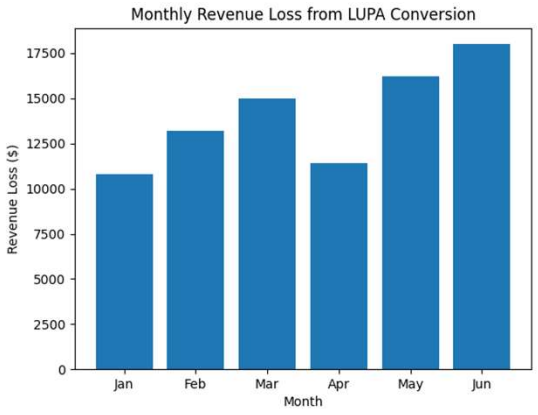
Tracking Revenue Loss from LUPA Conversion



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How Monthly Revenue Loss from LUPA Conversion Is Calculated

Formula:	• Monthly Revenue Loss = (# of LUPA-converted 30-day periods) × (Revenue difference per period) • Revenue difference per period = Full PDGM payment – Actual LUPA payment
Example Used in Slide:	• Assumed revenue difference per LUPA period: $600 • January LUPA conversions: 18 • January revenue loss = 18 × $600 = $10,800
How Agencies Should Calculate with Real Data:	• 1. Identify all LUPA-paid 30-day periods • 2. Calculate expected full case-mix payment for each period • 3. Subtract actual LUPA payment to determine true loss per period

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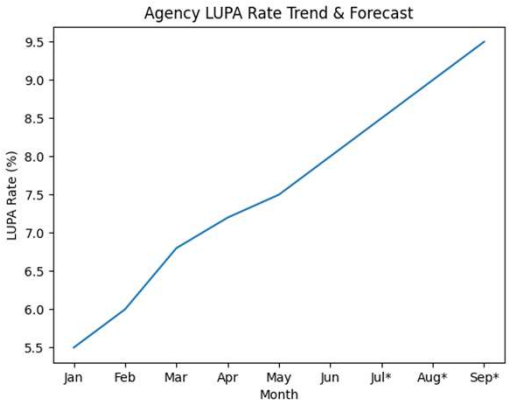
Agency-Level LUPA Trend Forecasting



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What Does It Mean?

- A rising LUPA trend signals margin instability:
  - More 30-day periods slipping into per-visit payment
  - Weakening visit planning discipline
  - Revenue volatility even if census is stable
  - Need for operational intervention before loss accelerates

What Should Agencies Monitor?

- Operational Indicators:
  - LUPA rate by branch, team, and clinician
  - Near-LUPAs (threshold & threshold +1 periods)
  - Late-period visit drop-off patterns
  - Community vs institutional admission differences

Financial & Case-Mix Signals to Monitor

- Financial Indicators:
  - Revenue variance vs expected full-period payment
  - Contribution margin by clinical grouping
  - Cost per visit trend analysis
  - Case-Mix Indicators:
  - LUPA rate by clinical grouping & functional level
  - Shift toward groupings with higher thresholds

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When CMS Updates LUPA Thresholds (Final Rule)

- Annual Agency Reset Checklist:
  - Update threshold tables in EMR & dashboards
  - Re-baseline KPI targets by case-mix group
  - Run scenario modeling using prior-year data
  - Train clinical leaders on threshold changes

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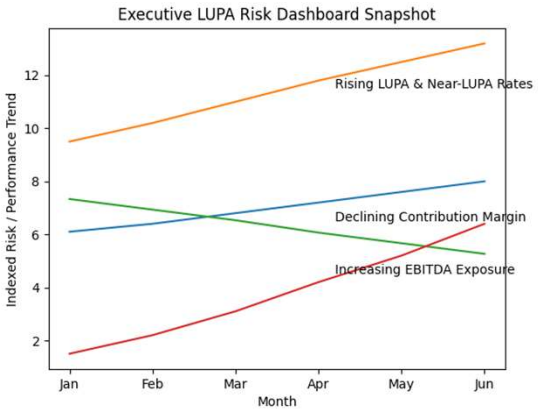
Executive Dashboard: What Should Be Reported

- Recommended Recurring KPIs:
  - Overall LUPA rate (monthly + rolling 3-month)
  - Near-LUPA rate (at threshold & threshold +1)
  - Top 5 clinical groupings by LUPA volume
  - Estimated revenue variance from LUPAs
  - Outlier teams or clinicians driving trend

Advanced Executive LUPA Performance Dashboard



PDGM Case Scenario – Patient Profile

- Clinical Grouping: MS Rehab
  - Functional Level: High
  - Comorbidity Adjustment: Low
  - Case-Mix Weight: 1.3456
  - National Standardized 30-Day Rate: $2,000
  - Full PDGM 30-Day Payment: $2,691.20

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Scenario A – Threshold Achieved

- LUPA Threshold: 6 Visits
  - Visits Provided: 6
  - Payment Method: Full Case-Mix Adjusted Payment
  - Reimbursement Received: $2,691.20
  - Result: Full revenue secured

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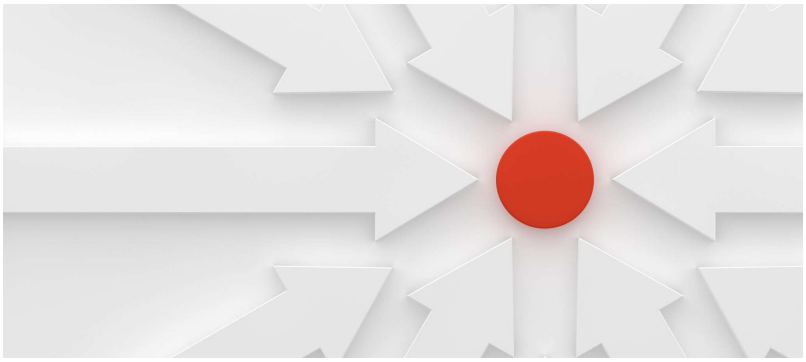
Scenario B – Missed by One Visit

- LUPA Threshold: 6 Visits
  - Visits Provided: 5
  - Payment Method: Per-Visit LUPA Payment
  - Per-Visit Rate (Assumed): $320
  - Total LUPA Payment: $1,600.00

Financial Impact of Missing LUPA by 1 Visit

- Full PDGM Payment: $2,691.20
  - LUPA Payment: $1,600.00
  - Dollar Loss: $1,091.20
  - Revenue Reduction: 40.5%
  - Key Lesson: One visit can materially impact margin.



Visit Utilization

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PDGM Case-Mix Structure Overview

- PDGM includes 432 unique case-mix groups (HHRGs)
  - Based on five determinants:
  - Admission Source (Community vs Institutional)
  - Timing (Early vs Late 30-day period)
  - 12 Clinical Groupings (principal diagnosis driven)
  - Functional Impairment Level (Low, Medium, High)
  - Comorbidity Adjustment (None, Low, High)

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Case-Mix Weights & Payment Ranges

- Each of the 432 groups has a unique case-mix weight
  - Case-Mix Weight × National Standardized Rate = 30-Day Payment
  - Higher functional impairment and comorbidity = higher weight
  - Each group also has a unique LUPA threshold (2–6 visits)
  - CMS publishes updated weights and thresholds annually in Final Rule files

Average Visits Per 30-Day Period (All Periods)

- Industry-wide averages (recent CMS trend data):
  - Skilled Nursing (SN): ~3.8–4.5 visits
  - Physical Therapy (PT): ~2.7–3.3 visits
  - Occupational Therapy (OT): ~0.7–1.0 visits
  - Speech Therapy (SLP): ~0.1–0.2 visits
  - Home Health Aide (HHA): ~0.4–0.7 visits
  - Total Average Visits: ~8.0–10.0 per 30-day period (declining trend)

Average Visits in LUPA-Paid Periods

- LUPA periods typically include minimal visit volume:
  - Skilled Nursing: ~1 visit
  - Physical Therapy: ~0.5 visit
  - Other disciplines: minimal utilization
  - Total visits in LUPA periods: ~1.6–1.7 visits on average
  - Demonstrates sharp revenue shift when threshold not achieved

Strategic Takeaways for Agencies

- PDGM rewards patient complexity, not visit volume
  - Visit decline does not reduce revenue unless LUPA threshold is missed
  - Discipline mix impacts cost but not base payment (if threshold met)
  - Agencies should track case-mix distribution and near-LUPA periods
  - Annual review required when CMS updates weights & LUPA thresholds

Ethical Decision-Making Under PDGM

- Avoid visit manipulation solely for revenue
  - Align care plans with patient-centered goals
  - Support documentation integrity
  - Protect agency sustainability responsibly

Leadership Strategies

- Educate clinicians on financial literacy
  - Implement structured case review processes
  - Standardize utilization dashboards
  - Encourage ethical accountability culture

LUPA Compass – PDGM Visit Utilization Model

Discipline	National Avg	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Total
SN	3.86	2.08	1.30	1.30	0.52	5.19
PT	2.78	1.50	0.94	0.94	0.37	3.74
OT	0.76	0.41	0.26	0.26	0.10	1.02
ST	0.14	0.08	0.05	0.05	0.02	0.19
SW	0.41	0.22	0.14	0.14	0.06	0.55
HHA	0.05	0.03	0.02	0.02	0.01	0.07
Total	8	4.31	2.69	2.69	1.08	10.76

Functional Level	Adjustment	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Final Therapy Vs.
F1	-2	1.18	0.74	0.74	0.30	2.95
F2	-1	1.58	0.99	0.99	0.40	3.95
F3	0	1.98	1.24	1.24	0.50	4.95

PDGM Grouper Payment: $2,691.20
Clinical Grouping: MS Rehab
Case Mix Weight: 1.3456
LUPA Threshold: 5 Visits

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LUPA Compass – PDGM Visit Utilization Model (MMTA Scenario)

Discipline	National Avg	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Total
SN	3.86	1.31	0.82	0.82	0.33	3.28
PT	2.78	0.95	0.59	0.59	0.24	2.36
OT	0.76	0.26	0.16	0.16	0.06	0.65
ST	0.14	0.05	0.03	0.03	0.01	0.12
SW	0.41	0.14	0.09	0.09	0.03	0.35
HHA	0.05	0.02	0.01	0.01	0.00	0.04
Total	8	2.72	1.70	1.70	0.68	6.80

Functional Level	Adjustment	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Final Therapy Vs.
F1	-3	0.05	0.03	0.03	0.01	0.13
F2	-2	0.45	0.28	0.28	0.11	1.13
F3	-1	0.85	0.53	0.53	0.21	2.13

PDGM Grouper Payment: $1,700.00
Clinical Grouping: MMTA
Case Mix Weight: 0.85
LUPA Threshold: 3 Visits

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LUPA Compass – Complex Nursing (High Case-Mix Scenario)

Discipline	National Avg	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Total
SN	3.86	2.70	1.69	1.69	0.68	6.76
PT	2.78	1.95	1.22	1.22	0.49	4.87
OT	0.76	0.53	0.33	0.33	0.13	1.33
ST	0.14	0.10	0.06	0.06	0.02	0.25
SW	0.41	0.29	0.18	0.18	0.07	0.72
HHA	0.05	0.04	0.02	0.02	0.01	0.09
Total	8	5.60	3.50	3.50	1.40	14.00

Functional Level	Adjustment	Day 1-5	Day 6-11	Day 12-21	Day 21-30	Final Therapy Vs.
F1	-5	0.58	0.36	0.36	0.14	1.44
F2	-4	0.98	0.61	0.61	0.24	2.44
F3	-3	1.38	0.86	0.86	0.34	3.44

PDGM Grouper
Payment: $3,500.00
Clinical Grouping: Complex Nursing
Case Mix Weight: 1.75
LUPA Threshold: 6 Visits

Key Takeaways

- PDGM demands proactive visit management
  - Data transparency drives better decisions
  - Financial performance and quality care can align
  - Every visit should have purpose

Questions and Answers

- How is your agency currently managing LUPA risk?
  - What barriers prevent confident decision-making?
  - Where could PDGM Compass™ support your team?

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Brian Lebanion is a nationally recognized home health and hospice consultant specializing in revenue cycle strategy, regulatory compliance, and performance improvement under PDGM and value-based care models. With extensive experience supporting agencies across the country, Brian helps leadership teams translate complex reimbursement regulations into practical, ethical, and financially sound operational decisions. He is a frequent national speaker and educator known for delivering real-world strategies that drive both clinical excellence and financial sustainability.