What is a LUPA?

A LUPA stands for Low Utilization Payment Adjustment and is a per visit reimbursement to a home health agency when they do not meet a minimum visit threshold. This differs to the traditional reimbursement model for home health, which reimburses at a lump sum per 30 days.

Why is avoiding a LUPA Important?

On January 1, 2020 CMS rolled out PDGM (Patient Driven Groupings Model), PDGM represents the largest overhaul of Medicare's reimbursement model in over 20 years, as a result, major changes occurred in the LUPA calculation and reimbursement to all home health agencies.   Prior to PDGM, there was a standard LUPA threshold set at <u>4 visits for a 60 day certification period</u>. Under the current PDGM LUPA thresholds are now patient specific and are set based on numerous factors including the patient's diagnosis and functional status. A specific patient's LUPA could range between <u>2-6 visits and are set for each 30 day payment unit.</u> The new calculations of LUPAs are an attempt to address the patients need with the amount of visits that should be performed every 30 days to improve the patient's health and functional status. Meeting these thresholds is vital for two reasons; to show that we are addressing the patients' needs based on data, and that we ensure that we are receiving adequate reimbursement for skilled services we provide.

Example

PPS (past)
Standard LUPA threshold of 4 for 60 days= full reimbursement.
Pt had 5 visits for 60 days and agency received full reimbursement for case.

PDGM (present)
Pt specific LUPA threshold of 5 for 30 days (10 within 60 days, with five in first 30 days and five in second 30 days of episode)= full reimbursement.
Pt had 5 visits for first 30 days, and no visits for second thirty days. Agency receives half reimbursement for this patient.

Here is a nice graph highlighting the major differences between PPS (old payment system) and PDGM (as of January 1, 2020)

	PPS	PDGM
Billing Periods	60-day	30-day
Therapy	Drives reimbursement, thresholds	Elimination of therapy thresholds
Payment groups	153	432
LUPA	Standard 4 visits	Variable 2-6 visits
Timing	Early = 1st two 60-day periods, Late = 3rd or later 60-day period	Early = 1st 30 day periods, Late = all subsequent 30-day periods
Referral Source	No Impact	Community or Institutional based on Claims Data
Comorbidity adjustment	None	High (2 or more), low (1), or none
Clinical Impact	From OASIS (low, medium or high)	Clinical grouping from primary diagnosis
Functional Level	From OASIS (low, medium, or high)	From OASIS (low, medium, or high)

Strategies to Avoid LUPAs

1. Based on our agencies current data, over 90% of our patients are pulling a 5 LUPA threshold per 30 days based on diagnosis/functional status. Generally, we are not receiving LUPAs during the first 30 days, it is the second thirty days with a higher LUPA rate for our agency. When determining frequencies, keep in mind that the LUPA threshold applies to each 30 day period within the patients certification period.
2. When you are determining your frequencies, you can look in the patients chart on the left hand side and under "Email" you will see the LUPA threshold for that patient, this is the number of visits that must be completed for the agency to avoid a LUPA. If this number has not yet been calculated you can reach out to the office and ask, since the office uses the therapy evaluation to help determine the functional status of the patient it might not be available immediately upon SOC.
3. The PDGM model, encourages the use of staggering visits. For example, 2w5 and then 1w3 would meet a LUPA threshold of 5 for a pt.
4. Staff Coordination- Case conference between disciplines to determine how best to utilize services without overlap in treatment and ability to meet LUPA thresholds. Visits by all disciplines, PT/OT/SLP/RN/LPN/MSW, count towards the visit threshold for each patient.
5. Make up missed visits if indicated. In a recent case, we missed a LUPA threshold in the second thirty day period due to patient cancelling just one visit. If a patient cancels a visit, review your frequencies. Do you need to add the visit on the end of current frequency to assist pt in meeting their goals and to avoid a LUPA?

In conclusion, we want, above all else, to respect our clinicians professional judgment when it comes to setting frequencies for the patients we serve. We only wish to arm you with the most up to date information about reimbursement to guide you in your decision making, not make the decision for you. Please reach out to us if you should have any questions.