Expert insight

**PDGM: Leadership and change management**

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The Patient-Driven Groupings Model (PDGM) represents real potential for improved revenue for some agencies. At the same time, PDGM may be the demise of others. PDGM is the most significant change to Medicare’s payment methodology for home health services since the implementation of the Home Health Prospective Payment System (PPS) almost twenty years ago.

Twenty years ago, we experienced not only the dramatic change that PPS brought to our industry, but also the implementation of the interim payment system (IPS) that was put in place while the PPS model was being fully developed. That time period, like now, was filled with much uncertainty, and the pace of change was unprecedented.

At that time, an OASIS assessment with hundreds of assessment items was a new competency for most agencies’ clinicians. Terms and acronyms such as LUPA, RAP, and case mix weight seemed like a foreign language! Unfortunately, thousands of agencies did not survive, however, many more agencies successfully made the transition and continue to provide home health care today.

Preliminary projections indicate that PDGM will result in some providers having a positive result from the new payment model while others will experience a negative result. Every provider, regardless of how they are projected to perform, will be required to adapt to the multitude of new competencies, workflows and payment regulations. No agency is provided any certainty.

So where do we start? Leadership is about coping with change. More change always demands more leadership. (Kotter, 2001) Peter Drucker, referred to as the father of management thinking, suggested that leaders should “attempt to mold the future as far as possible toward the predicted shape of things to come.” One of Drucker’s most famous quotes is:

“The best way to predict your future is to create it.”

-Peter Drucker
Being a change leader requires the willingness and ability to change what is already being done just as much as the ability to do new and different things. It also requires policies and practices that make the present create the future. (Drucker, 1999)

**Drucker’s five key attributes of a change leader**

1. Change leaders gather data and information.
2. Change leaders filter new insights through a marketing and innovation lens.
3. At some point, change leaders need to be bold and place bets on one of many strategic options and be willing to take a chance.
4. Change leaders are willing to abandon the old as they keep a keen eye on creating the future.
5. Change leaders are also effective managers. Effective managers are both composer and conductor as they successfully manage across three domains: they manage the business, they manage other managers, and they manage workers. (Darroch, 2017)

**Leadership checklist**

The journey of transitioning to PDGM will likely take you through all of 2019 and past January 1, 2020. The complex changes required for the conversion to a 30-day billing cycle, while also maintaining value-driven care and the relatively new Conditions of Participation, will be no small effort. The following key practices will assist as you lead the journey to PDGM and develop new processes. They can also help you drive any other major change under your guidance.

- **✔** Take the time to educate all employees, management team members and board members early in 2019. Include your mission – patient care – in your messaging. You’ll want your team’s insight, and you’ll need their buy-in as early as possible.

- **✔** Find the change leaders in your organization. You will find them in all divisions and at all levels. This circle of individuals will be essential to executing new strategies while retaining fundamental workflows and competencies.

- **✔** Create and support an internal task force of 7 to 10 people who will help identify your gaps and strengths (including technology) and will champion your new processes. The task force should be a representation of various levels and work teams within your organization. PDGM impacts everyone.

- **✔** The short-term and long-term goals necessary for your team’s successes should be set, shared, and measured in an ongoing way. Always recognize team accomplishments as you go along your journey to keep the momentum and sustain long term success. Remember, the stages of change trend down before moving up.
We all know change is a constant. Organizations move between adjusting to changes being imposed upon them and shaping change for themselves – between seeing the future as it happens and shaping the future for themselves and their organizations. (Darroch, 2017)

We’ve been here before as an industry. The change required by PDGM, while very intense, can be accomplished. The evolution to PDGM will be easier for those with a clear roadmap for the next year and, a commitment to leading the change with inspiration alongside a team of committed change leaders.

If you would like to learn more about Fazzi’s PDGM readiness series and tools, simply click here.

Bibliography


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