AHPA
ADVENTIST HEALTH POLICY ASSOCIATION

Summary: Inpatient Prospective Payment System FY 2022 Proposed Rule

Overview

The Centers for Medicare and Medicaid Services (CMS) has released the Hospital Inpatient Prospective Payment System (IPPS) proposed rule for Fiscal Year 2022, which includes a net 2.8 percent increase to payment rates. The rule also proposes to extend the COVID-19 add-on payments, repeal a provision related to the inclusion of median negotiated rates in hospital cost reports, and adopt new quality reporting measures. **Comments on the proposed rule are due on June 28, 2021.**

Key Proposals

Wage Index

- Implement section 9831 of the American Rescue Plan Act of 2021 to permanently reinstate the floor-wage-index for all-urban states for FY 2022.

Price Transparency

- Repeal the requirement that hospitals report on the Medicare cost report the median payer-specific negotiated charge that the hospital has negotiated with all of its MA organization payers, by MS-DRG, for cost reporting periods ending on or after January 1, 2021.
- **CMS seeks comment on alternative approaches or data sources for rate setting for FY 2024 and subsequent years.**

COVID-19 Add-on Payments

- Extend the add-on payment for new COVID-19 treatments through the year in which the current public health emergency ends.

Diagnosis Codes

- In reviewing severity level designations of ICD-10-CM codes, CMS noted 3,490 “unspecified” diagnosis codes designated as either complication/comorbidity (CC) or major complication/comorbidity (MCC), approximately 4.8% of all ICD-10-CM diagnosis

codes. **CMS seeks comment on potentially adopting a change to the severity level of these codes (when there are other, more specific codes available within the same subcategory) to a "NonCC" for FY 2022.**

DSH Payments

- Continue using a single year of uncompensated care costs from Worksheet S-10 of FY 2018 cost reports.
- For states that extend Medicaid coverage to select populations using an 1115 waiver, specify that a patient is deemed eligible for Medicaid for purposes of DSH calculation for given day as follows:

  *"Patient days of individuals receiving benefits **under a section 1115 waiver** program would be counted in the numerator of the Medicaid fraction only if the patient directly receives inpatient hospital insurance coverage on that day under [an 1115 waiver]."*

Health Equity

- **CMS seeks comments on:**
  - Health equity metrics to include in the Medicare quality reporting programs.
  - The potential creation of a hospital equity score to synthesize results across multiple measures and social risk factors.
  - The possible future adoption of a structural measure to assess the degree of hospital leadership engagement in health equity performance data.
  - Ways to standardize data collection to include additional societal factors, such as a patient's language preference or disability status.
  - Future potential stratification of quality measure results by race and ethnicity.
  - The potential of requiring hospitals to report a minimum set of demographic data elements.

Quality Programs

Across the quality payment programs, CMS proposes to suppress the use of quality measures in scoring methodologies if the COVID-19 PHE could have significantly impacted that data.

Promoting Interoperability Program

- Continue the 90-day reporting period for CY 2023.
- Require a 180-day reporting period for CY 2024.

- Expand the number of mandatory Public Health and Clinical Data Exchange Objective measures from two to four.
- Adopt the *Health Information Exchange Bi-Directional Exchange* measure (worth 40 points) under the Health Information Exchange Objective as an alternative to the two existing measures.
- Increase the minimum required score to be deemed a meaningful EHR user from 50 points to 60 points (out of a total 100 points).
- Remove attestation statements #2 and #3 from the "prevention of information blocking" requirement.

Hospital Readmissions Reduction Program

Reduces payments to hospitals that exceed the acceptable levels of readmission by up to 3%.

- For the duration of the public health emergency, adopt a cross-program measure suppression policy so that hospitals are not penalized for their performance.
- Temporarily suppress the pneumonia-related readmission rate measure (NQF #0506, *Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate Following Pneumonia Hospitalization*).
- Update measure specifications to exclude patients with COVID-19 as a secondary diagnosis beginning in PY 2023.
- Use MedPAR data that aligns "with the applicable period" for FY 2022 and automatically adopt the use of MedPAR data that corresponds with an applicable period in all subsequent program years.
- Rename the *Hospital Compare* website to be known as *Care Compare*.

Value-Based Purchasing Program

Redistributes 2% of operating payments based on quality and efficiency performance.

- Establish a measure suppression policy for the duration of the public health emergency for COVID-19.
- Temporarily suppress the *Hospital Consumer Assessment of Healthcare Providers and Systems* (HCAHPS), *Medicare Spending Per Beneficiary* (MSPB) and five *Healthcare-Associated Infection* (HAI) measures for the FY 2022 program year.
- Temporarily suppress the *Hospital 30-Day, All-Cause, Risk-Standardized Mortality Rate Following Pneumonia Hospitalization (MORT-30-PN)* for the FY 2023 program year.

- Not award any Total Performance Scores to hospitals for the FY 2022 program year. Instead, award each hospital a payment incentive multiplier equal to the amount withheld for the fiscal year (2 percent).
- Remove the *Patient Safety and Adverse Events Composite* (PSI-90) measure beginning with FY 2023.

Hospital Inpatient Quality Reporting Program

- Adopt five new measures:
    - Maternal Morbidity Structural Measure
    - Hybrid Hospital-Wide All-Cause Risk Standardization Mortality
    - COVID-19 Vaccination Among Health Care Personnel
    - Hospital Harm – Severe Hypoglycemia eCQM (NQF #3503)
    - Hospital Harm – Severe Hyperglycemia eCQM (NQF #3533)
- Remove five measures:
    - Death Among Surgical Inpatients with Serious Treatable Complications
    - Exclusive Breast Milk Feeding
    - Admit Decision Time to ED Departure Time for Admitted Patients
    - Stroke: Anticoagulation Therapy for Atrial Fibrillation/Flutter eCQM
    - Stroke: Discharged on Statin Medication eCQM
- **CMS seeks comment on the future development and inclusion of two measures:**
    - A mortality measure for patients admitted with COVID-19.
    - A patient-reported outcomes measure following elective total hip and/or total knee arthroplasty.

Medicare Shared Savings Program

- Extend the flexibility for eligible ACOs to elect to "freeze" their participation level along the BASIC track's glide path for payment year 2022.
    - *Note: ACOs that make this election would automatically advance in PY 2021 to the level it would have advanced to had it not frozen its participation level.*

Graduate Medical Education

- Distribute an additional 1,000 new Medicare-funded medical residency positions to train physicians, as required by the Consolidated Appropriations Act of 2021.
- Implement the Promoting Rural Hospital GME Funding Opportunity, which would extend a GME cap increase to select rural training hospitals.