CMS issues proposed hospital inpatient payment rule

The Centers for Medicare & Medicaid Services (CMS) on April 30 issued its proposed rule that would update FY 2015 Medicare payment policies and rates for inpatient stays at general acute care and long-term care hospitals.

The proposed rule will increase the payment rate to general acute care hospitals by 1.3%. The rate update for long-term care hospitals will be 0.8%.

The rule includes an initial market basket update of 2.7% for hospitals that submit data on quality measures and were meaningful users of electronic health records (EHRs) in FY 2013.

Hospitals that did not submit quality data or did not participate in “meaningful use” in FY 2013 will be subject to a one-quarter reduction in this initial market basket rate; hospitals meeting neither requirement will be subject to a one-half reduction.

All prospective payment system hospitals will have a productivity cut of 0.4% and an additional market basket cut of 0.2%, as mandated by the Affordable Care Act (ACA).

The rule also includes ACA-mandated Medicare Disproportionate Share Hospital reductions, which would reduce overall payments by 1%.

Reduced payments for readmissions, HACs

The rule’s most significant changes are provisions that reduce payment for readmissions and hospital-acquired conditions (HACs).

Under the Hospital Readmissions Reduction Program, the maximum reduction in payments for readmissions will be 3% (up from the current 2%), as required by the ACA. Penalties will continue to be assessed for the 5 readmission measures: heart attack, heart failure, pneumonia, chronic obstructive pulmonary disease, and hip/knee arthroplasty. CMS is proposing an updated methodology to take into account planned readmissions for these 5 measures, as well as refinement in the hip/knee arthroplasty readmission measure methodology.

Another new readmission measure will be added beginning in FY 2017: readmissions for coronary artery bypass graft (CABG) surgical procedures.

The proposed rule would implement the ACA’s Hospital Acquired Condition Reduction Program. Hospitals that rank in the lowest-performing quartile for rate of HACs will have their Medicare inpatient payments reduced by 1%.

Hospitals are given a score for each measure in 2 domains.

Domain 1 comprises the Patient Safety Indicator (PSI) 90 measure, which is a composite of 8 measures:
- PSI-03 Pressure ulcer
- PSI-06 Iatrogenic pneumothorax
- PSI-07 Central venous catheter-related bloodstream infections
- PSI-08 Postoperative hip fracture
- PSI-12 Postoperative pulmonary embolism or deep venous thrombosis
- PSI-13 Postoperative sepsis
- PSI-14 Postoperative wound dehiscence
• PSI-15 Accidental puncture or laceration.
  Domain 2 measures include 2 healthcare-associated infection measures:
• Central line-associated bloodstream infection
• Catheter-associated urinary tract infection.
  The proposed rule will be published in the May 15 Federal Register. Comments will be accepted through June 30. ✤

—Judith M. Mathias, MA, RN

Reference