

HALL RENDER'S THIS WEEK IN WASHINGTON - CMS ISSUES HOSPITAL INPATIENT PROSPECTIVE PAYMENT SYSTEM FINAL RULE

This Week in Washington joined the House on its August break but has provided a news update to address CMS finalizing its Hospital Inpatient Prospective Payment System final rule.

On August 2, CMS finalized its **Hospital Inpatient Prospective Payment System final rule** for fiscal year ("FY") 2019. The final rule updates Medicare payment policies and rates under the Inpatient Prospective Payment System and the Long-Term Care Hospital Prospective Payment System. The rule will increase rates by 1.85 percent in FY 2019 and includes an initial market-basket update of 2.9 percent for hospitals that were meaningful users of electronic health records in FY 2017 and submit data on quality measures. This was adjusted down 0.8 percent for productivity and 0.75 percent as required by the ACA. CMS retained the positive 0.5 percent adjustment related to the MS-DRG Documentation and Coding Adjustment, but CMS did not restore the negative 0.7 percent adjustment it made in FY 2017 and hospitals should continue to preserve appeal rights for this 0.7 percent understatement.

Other measures include:

- Uncompensated care payments will increase by \$1.5 billion. CMS finalizes its proposal to use FY 2014 and FY 2015 Worksheet S-10 data to compute the Factor 3 for DSH reimbursement in FY 2019.
- Along with its Meaningful Measures initiative, CMS finalizes the removal of 18 measures from the inpatient quality reporting program that are "topped out," no longer relevant or where the cost of data collection outweighs the value. Additionally, CMS will "de-duplicate" 21 more measures by removing them from the inpatient quality reporting program but retaining them elsewhere.
- CMS finalizes the rule to require hospitals to publish a list of their standard charges online in a machine readable format and hospitals must update this information at least annually.
- CMS includes the proposed changes to the Promoting Interoperability program that provides a new scoring approach and flexibility to meet meaningful use requirements.

Provisions will take effect on October 1, 2018. A fact sheet on this rule can be found [here](#).

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