2022 Inpatient Psychiatric Facility Proposed Rule Updates

May 21, 2021

1

Welcome

Jaime Welcher
Education Program Manager
California Hospital Association

2

Questions

We will take questions at the end of the webinar. However, if you have one before then, please submit your questions through the Q & A box. (Usually located at the bottom of your screen.)

3

3

Faculty

Sheree Lowe
Vice President, Behavioral Health

Sheree Lowe has been Vice President of Behavioral Health at CHA since 2002. In this capacity, she staffs CHA's Center for Behavioral Health Advisory Group and represents the interests of Acute Psychiatric Hospitals, behavioral health units in medical/surgical hospitals, and Chemical Dependency Recovery Hospitals providing both in and outpatient mental health and substance use disorder services – commonly referred to as behavioral health.

4

4

Faculty

Megan Howard
Vice President, Federal Policy

As Vice President, Federal Policy for CHA, Megan Howard is responsible for providing leadership on federal regulatory issues related to health care finance, quality and patient safety, and hospital and post-acute provider related issues. Based in the Washington, D.C. office, Megan works with CHA's senior vice president of federal relations and vice president of federal policy, CHA issue managers and national hospital associations on analysis and policy development for advocacy purposes.

5

5

Objectives

- Provide an overview of the federal fiscal year (FFY) 2022 inpatient psychiatric facility (IPF) prospective payment system (PPS) proposed rule issued by the Centers for Medicare & Medicaid Services (CMS) including:
  - ✓ Proposed rate updates
  - ✓ Proposed changes to IPF quality reporting program
  - ✓ Request for Information addressing health equity
- Solicit member feedback on proposed changes for CHA comments
- Comments are due by 2:00 p.m. (PT) on June 7

19480 Federal Register / Vol. 86, No. 69 / Tuesday, April 13, 2021 / Proposed Rules

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS–1750–P]

RIN 0938–AU40

Medicare Program; FY 2022 Inpatient Psychiatric Facilities Prospective Payment System and Quality Reporting Updates for Fiscal Year Beginning October 1, 2021 (FY 2022)

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Proposed rule.

SUMMARY: This proposed rule would update the prospective payment rates, the outlier threshold, and the wage index for Medicare inpatient hospital services provided by inpatient Psychiatric Facilities (IPF), which include psychiatric hospitals and excluded psychiatric units of an Inpatient Prospective Payment System (IPPS) hospital or critical access hospital. This rule also proposes to update and clarify the IPF teaching policy with respect to IPF hospital closures and displaced residents and proposes a technical change to the 2016-based IPF market basket price proxies. In addition, this proposed rule would update quality measures and reporting requirements under the Inpatient Psychiatric Facilities Quality Reporting (IPFQR) Program. These changes would be effective for IPF discharges occurring during the Fiscal Year (FY) beginning October 1, 2021 through September 30, 2022 (FY 2022).

DATES: To be assured consideration, comments must be received at one of the addresses provided below by June 7, 2021.

ADDRESSES: In commenting, please refer to file code CMS–1750–P.

Comments, including mass comment submissions, must be submitted in one of the following three ways (please choose only one of the ways listed):

1. *Electronically.* You may submit electronic comments on this regulation to *http://www.regulations.gov.* Follow the "Submit a comment" instructions.

2. *By regular mail.* You may mail

Please allow sufficient time for mailed comments to be received before the close of the comment period.

3. *By express or overnight mail.* You may send written comments to the following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS–1750–P, Mail Stop C4–26–05, 7500 Security Boulevard, Baltimore, MD 21244–1850.

For information on viewing public comments, see the beginning of the **SUPPLEMENTARY INFORMATION** section.

FOR FURTHER INFORMATION CONTACT: The IPF Payment Policy mailbox at *IPFPaymentPolicy@cms.hhs.gov* for general information.

Mollie Knight (410) 786–7948 or Eric Lath (410) 786–9759, for information regarding the market basket update or the labor related share.

Nick Brock (410) 786–5148 or Theresa Bean (410) 786–2287, for information regarding the regulatory impact analysis.

Lauren Loewenstein, (410) 786–4507, for information regarding the inpatient psychiatric facilities quality reporting program.

SUPPLEMENTARY INFORMATION:

Inspection of Public Comments: All comments received before the close of the comment period are available for viewing by the public, including any personally identifiable or confidential business information that is included in a comment. We post all comments received before the close of the comment period on the following website as soon as possible after they have been received: *http://www.regulations.gov.* Follow the search instructions on that website to view public comments.

Availability of Certain Tables Exclusively Through the Internet on the CMS Website

Addendum A to this proposed rule summarizes the FY 2022 IPF PPS payment rates, outlier threshold, cost of living adjustment factors (COLA) for Alaska and Hawaii, national and upper limit cost-to-charge ratios, and adjustment factors. In addition, the B Addenda to this proposed rule shows the complete listing of ICD–10 Clinical Modification (CM) and Procedure Coding System codes underlying the Code First table, the FY 2022 IPF PPS comorbidity adjustment and

Tables setting forth the FY 2022 Wage Index for Urban Areas Based on Core-Based Statistical Area (CBSA) Labor Market Areas and the FY 2022 Wage Index Based on CBSA Labor Market Areas for Rural Areas are available exclusively through the internet, on the CMS website at *https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/IPFPPS/WageIndex.html.*

I. Executive Summary

A. Purpose

This proposed rule would update the prospective payment rates, the outlier threshold, and the wage index for Medicare inpatient hospital services provided by Inpatient Psychiatric Facilities (IPFs) for discharges occurring during the FY 2022 beginning October 1, 2021 through September 30, 2022. This rule also proposes to update and clarify the IPF teaching policy with respect to IPF hospital closures and displaced residents and proposes a technical change to the 2016-based IPF market basket price proxies. In addition, the proposed rule would update quality measures and reporting requirements under the Inpatient Psychiatric Facilities Quality Reporting (IPFQR) Program.

B. Summary of the Major Provisions

1. Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS)

For the IPF PPS, we are proposing to—

- Update IPF PPS teaching policy with respect to IPF hospital closures and displaced residents.
- Replace one of the price proxies currently used for the For-profit Interest cost category in the 2016-based IPF market basket with a similar price proxy.
- Adjust the 2016-based IPF market basket update (2.3 percent) for economy-wide productivity (0.2 percentage point) as required by section 1886(s)(2)(A)(i) of the Social Security Act (the Act), resulting in a proposed IPF payment rate update of 2.1 percent for FY 2022.
- *Make technical rate setting changes:* The IPF PPS payment rates would be adjusted annually for inflation, as well as statutory and other policy factors. This rule proposes to update:
  - ++ The IPF PPS Federal per diem base rate from $815.22 to $833.50.

6

6

FFY 2022 IPF Proposed Rate Updates

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7

7

IPF Proposed Rate Update

CMS proposes an annual payment update of 2.1% to IPFs in FFY 2022, which it estimates will increase overall payments by $90 million compared to FFY 2021.

CMS Proposed IPF Payment Update: FFY 2022	Impact on Payments
CMS Market Basket Update for FFY 2022	2.3%
ACA-Mandated Productivity Reduction	0.2 %
Proposed Rate Update	2.1%

8

8

Estimated California Payment Impact

Estimated Change in Medicare Payments

Federal Fiscal Year (FFY) 2021 Final Rule Compared to FFY 2022 Proposed Rule

California

Impact Analysis	Dollar Impact	Percent Change
Estimated FFY 2021 IPF PPS Payments	*$381,018,000*	
Marketbasket Update	$8,763,400	2.3%
ACA-Mandated Marketbasket Reductions	($762,500)	-0.2%
Wage Index Budget Neutrality (includes all other budget neutrality)	$543,200	0.1%
Wage Index and Labor Share	$1,102,700	0.3%
Estimated FFY 2022 IPF PPS Payments	*$390,664,800*	
Total Estimated Change from FFY 2021 to FFY 2022	***$9,646,800***	***2.5%***

The values shown in the table above do not include the 2.0% sequestration reduction to all lines of Medicare payment authorized by Congress through FFY 2031. As part of the Medicare Sequester Relief Act, Congress eliminated the 2% sequester on Medicare payments from October 1, 2021 through December 31, 2021. It is estimated that sequestration will impact FFY 2022 IPF-specific payments by: -$5,860,200.

Source: CHA DataSuite Analysis

Proposed Federal Per Diem and ECT Rate for FFY 2022

	Providers that successfully report IPF QRP	Providers that DO NOT successfully report IPF QRP
IPF Per Diem Base Rate	$833.50	$817.18
ECT Base Rate	$358.84	$351.81

Area Wage Index & Labor-Related Share

- CMS proposes to continue to use the pre-floor, pre-reclassified inpatient PPS hospital wage index
- CMS proposes no cap on reductions to the wage index for FFY 2022
- CMS would continue to apply the area wage index to the labor-related portion of the federal per diem base rate
- CMS proposes a labor-related share of 77.1 percent for FFY 2022, a change from 77.3 percent for FFY 2021

11

11

Outlier Payments

- Due to the impact of the COVID-19 public health emergency on 2020 utilization, CMS proposes to update the IPF outlier threshold amount for FFY 2022 using FFY 2019 claims data.
- CMS believes it is necessary to update the fixed dollar loss threshold amount to maintain an outlier percentage that equals 2 percent of total estimated IPF PPS payments.
- Therefore, CMS proposes to update the outlier threshold amount to $14,030 to maintain estimated outlier payments at 2 percent of total estimated aggregate IPF payments for FFY 2022.
  - ✓ This proposed update is a decrease from the FFY 2021 threshold of $14,630.

12

12

Facility Level Adjustments

	Proposed FFY 2022
Rural Adjustment Factor	1.17
Teaching Adjustment Factor	0.5150
ED Adjustment Factor	1.31

13

13

Patient Level Adjustments

CMS proposes continue the existing patient-level payment adjustments:

- Patient Condition (MS-DRG) Adjustment
- Patient Comorbid Condition Adjustment
- Patient Age Adjustment
- Patient Variable Per Diem Adjustment

14

14

Inpatient Psychiatric Facility Quality Reporting Program (IPF QRP)

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Proposed Changes to IPF QRP Measure Set

Add	• Follow-up After Psychiatric Hospitalization (FAPH) measure
Add	• COVID-19 Vaccination Coverage among Healthcare Personnel (HCP) measure
Remove	• Follow-up after Hospitalization for Mental Illness (FUH) measure and three chart-abstracted measures

Follow-up After Psychiatric Hospitalization (FAPH) Measure

- Beginning with FFY 2024, CMS proposes to add a new claims-based measure that would determine the percentage of inpatient discharges from an IPF with a principal diagnosis of select mental illness or substance use disorders (SUD) for which a patient received a follow-up outpatient visit for treatment of that diagnosed condition.
- This measure would expand on and replace the current Follow-up After Hospitalization for Mental (FUH) Illness measure.
  - ✓ The new measure would be expanded to include patients with SUD in the denominator and would not limit the provider types that can provide follow-up care in the numerator.
- Two rates would be calculated: visits within seven days and another within 30 days of discharge

17

17

COVID-19 Vaccination Coverage Among Healthcare Personnel (HCP) Measure

- CMS proposes to add a new measure beginning with the FFY 2023 program year to track the percentage of healthcare personnel who receive a complete COVID-19 vaccination.
- IPFs would submit measure data using NHSN's standard data submission requirements via the CDC/NHSN web-based surveillance system.
  - ✓ Reporting modules are currently available for voluntary reporting.
- CMS proposes an initial data submission period of October 1, 2021 – December 31, 2021 (for FFY 2023), with full calendar year submissions required beginning with calendar year 2022 (FFY 2024).
- CMS proposes to publicly report the measure on *Care Compare* beginning with the October 2022 refresh.

18

18

Proposed Removal of Measures

CMS proposes to remove 4 measures beginning with the FFY 2024 payment determination:

1) Alcohol Use Brief Intervention Provided or Offered and Alcohol Use Brief Intervention (SUB-2/2a)
2) Tobacco Use Brief Intervention Provided or Offered and Tobacco Use Brief Intervention (TOB-2/2a)
3) Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)
4) Follow-Up After Hospitalization for Mental Illness (FUH, NQF #0576) (Contingent on proposal to add FAPH measure)

Potential Measures Under Consideration for Future Inclusion

CMS seeks comment on the following potential measures and concepts under consideration for future years:

1) Patient Experience of Care Data Collection Instrument
2) Functional Outcomes Instrument for Use in a Patient Reported Outcomes Measure
3) Measures for Electronic Data Reporting

Transition to Patient-Level Reporting for Chart-Abstracted Measures

CMS proposes to transition from aggregate reporting to patient-level reporting for 9 chart-abstracted measures. Patient-level reporting would be voluntary for FFY 2023 and required by FFY 2024.

Patients Discharged on Multiple Antipsychotic Medications with Appropriate Justification (NQF #0560)
Alcohol Use Brief Intervention Provided or Offered and SUB-2a Alcohol Use Brief Intervention
Alcohol and Other Drug Use Disorder Treatment Provided or Offered at Discharge and SUB-3a Alcohol and Other Drug Use Disorder Treatment at Discharge
Tobacco Use Treatment Provided or Offered and TOB-2a Tobacco Use Treatment
Tobacco Use Treatment Provided or Offered at Discharge and TOB-3a Tobacco Use Treatment at Discharge
Influenza Immunization (NQF #1659)
Transition Record with Specified Elements Received by Discharged Patients (discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)
Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or any Other Site of Care)
Screening for Metabolic Disorders

21

21

Transition to Patient-Level Reporting for Chart-Abstracted Measures (cont.)

For two measures, only the numerators of the measures will be required for reporting on the patient-level as their denominators are 1,000 hours:

Hours of physical restraint use
Hours of seclusion use

22

22

IPF QRP Measure Set for FFY 2023 Payment Determination

IPF QRP Measure Set for FFY 2023 Payment Determination and Subsequent Years if Measure Adoption is Finalized as Proposed

NQF #	Measure ID	Measure
0640	HBIPS-2	Hours of Physical Restraint Use
0641	HBIPS-3	Hours of Seclusion Use
0560	HBIPS-5	Patients Discharged on Multiple Antipsychotic Medications with Appropriate Justification
0576	FUH	Follow-Up After Hospitalization for Mental Illness
N/A*	SUB-2 and SUB-2a	Alcohol Use Brief Intervention Provided or Offered and SUB-2a Alcohol Use Brief Intervention
N/A*	SUB-3 and SUB-3a	Alcohol and Other Drug Use Disorder Treatment Provided or Offered at Discharge and SUB-3a Alcohol and Other Drug Use Disorder Treatment at Discharge
N/A*	TOB-2 and TOB-2a	Tobacco Use Treatment Provided or Offered and TOB-2a Tobacco Use Treatment
N/A*	TOB-3 and TOB-3a	Tobacco Use Treatment Provided or Offered at Discharge and TOB-3a Tobacco Use Treatment at Discharge
1659	IMM-2	Influenza Immunization
N/A*	N/A	Transition Record with Specified Elements Received by Discharged Patients (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)
N/A*	N/A	Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or any Other Site of Care)
N/A	N/A	Screening for Metabolic Disorders
2860	N/A	Thirty-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility
3205	Med Cont	Medication Continuation Following Inpatient Psychiatric Discharge
TBD	COVID HCP	COVID-19 Healthcare Personnel (HCP) Vaccination Measure

IPF QRP Measure Set for FFY 2024 Payment Determination

IPF QRP Measure Set for FFY 2024 Payment Determination and Subsequent Years if Measure Adoption is Finalized as Proposed

NQF #	Measure ID	Measure
0640	HBIPS-2	Hours of Physical Restraint Use
0641	HBIPS-3	Hours of Seclusion Use
0560	HBIPS-5	Patients Discharged on Multiple Antipsychotic Medications with Appropriate Justification
N/A	FAPH	Follow-Up After Psychiatric Hospitalization
1659	IMM-2	Influenza Immunization
N/A*	SUB-3 and SUB-3a	Alcohol and Other Drug Use Disorder Treatment Provided or Offered at Discharge and SUB-3a Alcohol and Other Drug Use Disorder Treatment at Discharge
N/A*	TOB-3 and TOB-3a	Tobacco Use Treatment Provided or Offered at Discharge and TOB-3a Tobacco Use Treatment at Discharge
N/A*	N/A	Transition Record with Specified Elements Received by Discharged Patients (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)
N/A	N/A	Screening for Metabolic Disorders
2860	N/A	Thirty-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility
3205	Med Cont	Medication Continuation Following Inpatient Psychiatric Discharge
TBD	COVID HCP	COVID-19 Healthcare Personnel (HCP) Vaccination Measure

Request for Information (RFI) on Addressing Health Equity

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25

25

RFI: Closing the Health Equity Gap in CMS Quality Programs

CMS seeks input on potential changes to the IPF QRP to attain health equity for all patients through policy solutions:

- By improving demographic data collection as well as collection of social, psychological, and behavioral data elements, including a minimum data set for collection at admission
- By enabling facility-level reporting of IPFQR program measure data stratified by race, ethnicity, dual eligibility, and disability
- By creating a Facility Equity Score to synthesize results across a wide range of social risk factors and disparity measures

26

26

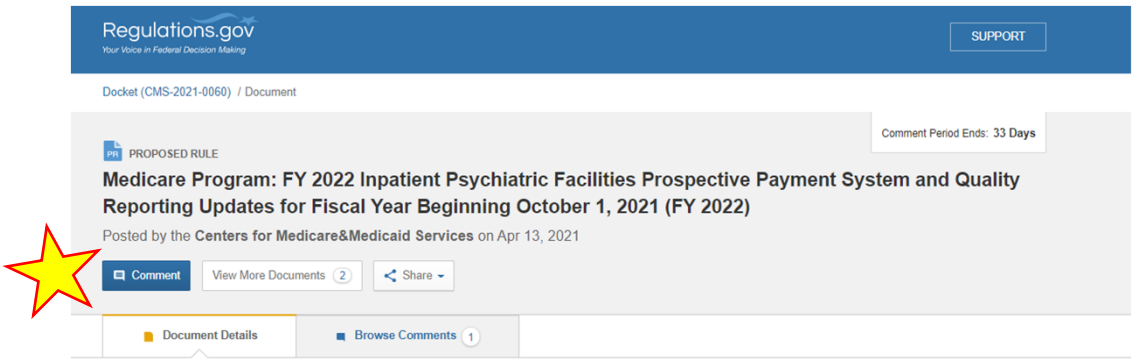
RFI: Closing the Health Equity Gap in CMS Quality Programs (cont.)

Specifically, CMS seeks information concerning:

- Application of indirect estimates of race and ethnicity to support reporting of stratified data at the facility level, and appropriate privacy safeguards for such reporting
- Defining and collecting accurate, standardized, self-identified demographic information
- Other readily available data elements for use in combination with race and ethnicity for measuring disadvantage and discrimination and for stratified data reporting
- Measure and domain types for stratified reporting by dual eligibility, race, ethnicity, and disability
- Methods for using data-driven technologies in a way that does not facilitate exacerbation of health inequities.

Closing Comments/Next Steps

Go to www.regulations.gov and search for CMS-1750-P



Reminder: Comments are due by 2:00 p.m. (PT) on June 7

Questions

Please submit your questions through the
Q & A box. (Usually located at the bottom of your screen.)

29

29

Contact

For additional questions, please contact me!

Megan Howard
Vice President, Federal Policy
California Hospital Association
(202) 488-3742
mhoward@calhospital.org

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30

30

Thank You

Thank you for participating in today's webinar.

For education questions, contact:
CHA Education at education@calhospital.org