

# **FY 2011 Medicare Inpatient PPS Proposed Rule**

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# FY 2011 Proposed Inpatient PPS

- Published in May 4 *Federal Register*, *supplement released May 21*.
- Comments due June 18 with final rule expected by August 1.

## Operating Rates

- Market basket update of 2.4% for hospitals reporting quality measures (otherwise 0.4% update).
- On average, 0.9% *drop* in payments in from FY 10 to FY 11.

## Capital Rates

- Capital input price index update of 1.5 percent.
- On average, *negative* 0.2% drop in payments in FY 2011.

# PPACA changes incorporated in proposed IPPS rule

- **Market basket:** *reduction* of 0.25

***Changes released May 21***

- **Hospital wage index:**

- Extension of Section 508 hospital wage reclassifications through FY 2011
- Wage index floor of 1.00 for hospitals located in “frontier” states (Wyoming, Montana, North Dakota, South Dakota and Nevada)
- Restore wage comparison for reclasses to 84% for urban and 82% for rural
- Rural and imputed floors budget neutrality calculated on a national basis

- **Programs extended:**

- Reasonable costs for certain clinical diagnostic laboratory tests in rural areas
- Rural Community Hospital Demonstration Program
- Medicare-dependent hospital (MDH) program
- Medicare Rural Hospital Flexibility Program (includes revisions)

- **Low-volume adjustment:** temporary increase in inpatient Medicare volume

- **Critical access hospitals:** reinforces 101% of costs for all CAHs

# Behavioral offset

- Proposed behavioral offset of 2.9% in FY 2011 for changes in documentation and coding as a result of MS-DRG implementation, with 2.9% pushed off until FY 2012, for payments in FYs 08 and 09.
- CMS does not yet propose to reduce payments by the 3.9% to correct for “overpayment” going forward.
- Proposes a 2.9% documentation and coding adjustment to the capital federal rate on a prospective basis.
- Proposes 2.9% offset to hospital-specific rates of Sole Community and Medicare Dependent Hospitals
  - Leaves 2.5% recoupment (for total of 5.4%) as SCHs/MDHs were not previously reduced by 1.5% as were the other hospitals.

# FY 2011 RHQDAPU Measure Requirements

- Proposing to retire the claims-based AHRQ Mortality for Selected Surgical Procedures Composite
  - AHRQ issued guidance in June 2009 “the measure is not recommended for comparative reporting”
- RHQDAPU remaining measures:
  - 27 Chart Abstracted measures (AMI, HF, PN and SCIP)
  - 14 Claims-based measures
    - 30-Day Mortality (AMI, HF, PN)
    - 30-Day Risk Standardized Readmission (AMI, HF, PN)
    - AHRQ PSI, IQIs and Composite
    - Nursing Sensitive/PSI Harmonized measure with PSI-4
  - 3 Structural Measures – Participation in a Registry
    - Cardiac Surgery, Stroke and Nursing Sensitive Care

# Proposed for FY 2012

- Retain the existing 45 FY 2011 measures
- Add 10 claims-based measures
  - 2 AHRQ PSIs
    - PSI-11 Post-Operative Respiratory Failure
    - PSI-12 Post-Operative Pulmonary Embolism or VT
  - 8 Hospital Acquired Condition (HACs)
    - Foreign Object Retained After Surgery
    - Air Embolism
    - Blood Incompatibility
    - Pressure Ulcer Stages III & IV
    - Falls and Trauma:
    - Vascular Catheter-Associated Infection
    - Catheter-Associated Urinary Tract Infection (UTI)
    - Manifestations of Poor Glycemic Control

# Proposed for FY 2012

- Proposing hospitals submit all-patient data to allow CMS to calculate the patient volume for the 55 MS-DRGs relating to the APU measures.
- Inviting comment on retirement of measures for high performance and other reasons.

## **“TOPPED OUT”**

AMI-1 Aspirin at arrival  
AMI-3 ACEI/ARB for LVSD  
AMI-4 Adult smoking cessation a  
AMI-5 BB prescribed at discharge  
HF-4 Adult smoking cessation  
PN-4 Adult smoking cessation  
SCIP-Inf-6 Appropriate hair removal

## **“Other Considerations”**

HF-1 Discharge Instructions  
PN-3b Blood Culture prior to 1<sup>st</sup> ABX  
SCIP-Inf-2 Prophylactic ABX selection  
SCIP-Inf-4 Cardiac Surgery Controlled  
Post-op Glucose

# Proposed for FY 2013

- Retain the existing FY 2012 measures
- Add one new chart abstracted measure
  - AMI-10 Statin at Discharge
    - Data collection begins with January 1, 2011 discharges
- Add two new Healthcare-Associated Infection (HAI)
  - Currently collected by CDC via the NHSN
    1. Central Line Associated Blood Stream Infection (NQF #0139)
    2. Surgical Site Infection (NQF # 0299)

# Proposed for FY 2013

- Add Registry-Based Measures
  - Proposes hospitals choose 1 of the 4 proposed topics:
    1. Implantable Cardioverter Defibrillator (ICD) Complications
    2. Cardiac Surgery
    3. Stroke
    4. Nursing-Sensitive Care
  - Collect and report data to a qualified registry for the specific topic
  - Registry would contract with hospital to submit data to CMS
  - Data Collection begins with January 1, 2011 discharges
- Proposing a definition for qualified registries
  - CMS will provide list of registries

# Proposed for FY 2014

- Retain the existing FY 2013 measures
- Add 4 new chart abstracted measures
  - Data collection begins with January 1, 2012 discharges
    1. ED Throughput – Admit Decision Time to ED Departure for admitted patients
    2. ED Throughput – Median time from ED Arrival to ED Departure for admitted patients
    3. Global Flu Immunization
    4. Global Pneumonia Immunization
  - Specific PN immunization measures would be retired

# Additional RHQDAPU Changes

- Synchronize APU Data Submission and Validation
  - CMS proposes to align the quarterly discharge periods within the calendar year
  - Effective with FY 2013 payment decision
    - Data must be submitted in all 4 calendar quarters of 2011
    - Data Validation will use 4 quarters of data
      - 4<sup>th</sup> qtr of CY that occurs 2 years before payment determination and the first 3 calendar quarters of the following year
      - Example 2013 validation
        - » 4<sup>th</sup> calendar quarter 2010 through 3<sup>rd</sup> calendar quarter 2011

# EHRs and RHQDAPU

- EHR quality measures reporting for Meaningful Use
  - Per the HITECH Act, CMS proposed a EHR incentive program that uses quality measure reporting to demonstrate meaningful use of a certified EHR
  - HITECH Act requires that preference be given to quality measures used in RHQDAPU
- EHR Incentive Program and RHQDAPU are two separate programs that will overlap with reporting of quality measures
  - In NPRM for EHR incentive, if a measure is submitted for EHR and used in RHQDAPU hospitals will submit once for both programs

# Contact information

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