

PUBLICATION

CMS Seeks Comments on Overhauling Hospital IPPS

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CMS is asking for feedback on how Medicare can make the health care delivery system simpler for patients and health care providers. This spring's Fiscal Year 2018 Hospital Inpatient Prospective Payment System (IPPS) and the Long Term Acute Care Hospital Prospective Payment System (LTCH PPS) proposed rule arrived with a Request for Information from CMS (RFI). While requests are generally not unusual, this RFI is and its unusual circumstances suggest that now is the time for Medicare providers to send comments to CMS before *the June 13 deadline*.

According to CMS' press release and comments in the IPPS LTCH proposed rule, a simpler delivery system would be expected to decrease administrative costs and increase accessibility. Coupled with maintaining program integrity efforts and preventing fraud, CMS indicated that a more effective health care delivery system would also increase the quality of care and improve patient outcomes.

Asking for stakeholder input is not unusual for CMS and many of the requests sound similar to past requests to enhance the value of patient care. However, given the administration's expressed desire to reduce the overall administrative costs from potentially inefficient or ineffective regulations, this may be an opportunity for health care providers to identify and remove some Medicare requirements where the burden exceeds the value that those requirements deliver to Medicare beneficiaries.

Significant areas of reform were singled out in the IPPS and LTCH PPS. Physician-owned hospitals, which were severely restricted by the Affordable Care Act, drew specific attention from CMS. CMS requested comments on whether the current restrictions on these hospitals have a disproportionate effect on their ability to deliver health care services to Medicare beneficiaries. Other areas include a solicitation on how to align Medicare requirements and processes with Medicaid and other payers and on how to enhance the critical role of individual patient-driven care decisions guided by a strong physician-patient relationship. CMS also asked for comments on the use and reimbursement of professionals and paraprofessionals to provide screening, assessment and evidence-based treatment for opioid and substance abuse disorders.

CMS expressed a willingness to consider comments in a broad range of areas with varying complexity. It asked for comments on payment system redesign; the elimination or streamlining of reporting, monitoring and documentation requirements; increasing operational flexibility, feedback mechanisms and data sharing that would enhance patient care; and new opportunities for incentive programs. While CMS encouraged responders to provide clear and concise responses, it also asked for comments with specific examples and supporting data. CMS further encouraged respondents to provide proposals that might involve novel legal concepts and an analysis of whether CMS had legal authority to enact those proposals.

Lastly, if you submit a comment, do not expect to see a response to that comment published in the *Federal Register* this year. CMS explained that it would not respond to any RFI comments in the final FY18 IPPS and LTCH PPS rule but that it would actively consider any comment for future proposals and subregulatory guidance.