

PUBLICATION

CMS Releases FY 2019 Proposed Payment Rules

May 10, 2018

On April 24 and 27, 2018, CMS launched its annual gaggle of proposed regulations – each with the theme of "Patients over Paperwork" – with the stated goal of "advanc[ing] the agency's priority of creating a patient-driven health care system that fosters innovation of efficient and accountable programs while removing waste, fraud, and abuse."

Across the various payment rules, CMS manifested that theme by introducing proposals for renaming programs, reducing the administrative burden on providers, streamlining quality reporting measures, and soliciting feedback from providers on interoperability to increase electronic sharing of data. Highlights from the various proposed payment rules are discussed below.

IPPS/LTCH: FY 2019 PPS Proposed Rule

CMS issued a proposed rule outlining FY 2019 Medicare payment updates and proposed quality program changes for IPPS hospitals and LTCHs. CMS will accept comments to this proposed rule until **June 25, 2018**.

Highlights:

- CMS requested information regarding transparency of hospital charges, including suggestions on how best to help hospitals create patient-friendly interfaces while providing information to stakeholders in the most useful format.
- CMS proposed to distribute roughly \$8.25 billion in uncompensated care payments in FY 2019. Such payments are proposed to be allocated via uncompensated care data from Worksheet S-10 from FY 2014 and FY 2015 in combination with insured low-income days data from FY 2013.
- In combination with the FY 2019 IPPS/LTCH Proposed Rule, CMS requested feedback from providers on the possibility of revising the Conditions of Participation related to interoperability and to make the existing electronic health record incentive programs more flexible and less burdensome.
- As part of a branding overhaul of the Meaningful Use program, CMS proposed to rename it as "Promoting Interoperability."
- Across the five quality measures and value-based purchasing programs, CMS proposed to eliminate a significant number of measures while removing duplicative ones. CMS projected the elimination of 25 measures across the five quality and value-based purchasing programs, resulting in approximately \$75 million in administrative savings for hospital providers.

Additional information:

- [Proposed Rule](#)
- [Press Release](#)
- [CMS Fact Sheet](#)

Skilled Nursing Facility: FY 2019 PPS Proposed Rule

CMS issued a proposed rule outlining proposed FY 2019 Medicare payment updates and proposed quality program changes for Skilled Nursing Facilities (SNFs). CMS will accept comments to this proposed rule until **June 26, 2018**.

Highlights:

- CMS proposed to redesign the SNF-PPS by focusing more on clinically relevant factors rather than volume-based services for determining Medicare payment. Renamed the SNF Patient-Driven Payment Model, this includes adjustments to SNF per diem payments to reflect varying costs throughout a patient's stay.
- In combination with the reduced paperwork for this model, CMS projected a *reduced* reporting burden on providers of approximately \$2 billion over ten years.
- Proposed the Advancing My HealthEData, which is a Request for Information from stakeholders regarding solutions to achieve better interoperability and sharing of health care data among providers.
- CMS proposed changes to the SNF Quality Reporting Program, including a new measure that takes into account costs associated with recording that measures and weighs that against the benefits of its continued use in the program.
- The proposed rule included payment rate changes for the SNF-PPS and proposed revisions to the value-based purchasing program.

Additional information:

- [Proposed Rule](#)
- [Press Release](#)
- [CMS Fact Sheet](#)

Inpatient Rehabilitation Facility: FY 2019 PPS Proposed Rule

CMS issued a proposed rule outlining proposed FY 2019 Medicare payment updates for Inpatient Rehabilitation Facilities (IRFs). CMS will accept comments to this proposed rule until **June 26, 2018**.

Highlights:

- Proposed changes to coverage requirements, including, among other things, allowing post-admission physician evaluation to count as one of the face-to-face physician visits and removing the admission order documentation requirement.
- CMS solicited comments regarding additional changes to the physician supervision requirements to reduce unnecessary regulatory burdens on IRFs.
- Similar to the previous proposed rules discussed above, CMS published a Request for Information from stakeholders on the interoperability and use of electronic health records.
- CMS continued efforts to reduce administrative burdens as part of its "Patients over Paperwork" initiative.

Additional information:

- [Proposed Rule](#)
- [Press Release](#)
- [CMS Fact Sheet](#)

Inpatient Psychiatric Facility: FY 2019 PPS Proposed Rule

CMS issued a proposed rule outlining proposed FY 2019 Medicare payment updates for Inpatient Psychiatric Facilities (IPFs). CMS will accept comments to this proposed rule until **June 26, 2018**.

Highlights:

- Among other things, CMS proposed payment updates; technical corrections to IPF regulations; and solicited comments on IPF costs, patient mix, and provision of drugs and laboratory services to better inform the refinement process.
- Similar to the previous proposed rules discussed above, CMS published a Request for Information from stakeholders on the interoperability and use of electronic health records.
- CMS proposed the removal of eight quality measures in the IPF Quality Reporting Program to help streamline reporting requirements beginning with the FY 2020 payment determination.

Additional information:

- [Proposed Rule](#)
- [Press Release](#)
- [CMS Fact Sheet](#)

Hospice: FY 2019 Hospice Wage Index and Payment Rate Update Proposed Rule

CMS issued a proposed rule outlining proposed FY 2019 Medicare payment updates and wage index for hospices. CMS will accept comments to this proposed rule until **June 26, 2018**.

Highlights:

- CMS proposed changes to the hospice regulations to reflect the statutory changes from Bipartisan Budget Act of 2018 that expanded the definition of attending physician to include physician assistants in addition to physicians and nurse practitioners.
- Similar to the previous proposed rules discussed above, CMS published a Request for Information from stakeholders on the interoperability and use of electronic health records.
- CMS proposed changes to the Hospice Quality Reporting Program, including a new measure that takes into account costs associated with recording that measures and weighs that against the benefits of its continued use in the program.

Additional information:

- [Proposed Rule](#)
- [Press Release](#)
- [CMS Fact Sheet](#)