



WASHINGTON

perspectives

***An Analysis and Commentary on Federal Health Care Issues
by Larry Goldberg***

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CMS Issues Final FY 2025 Inpatient Psychiatric Facility PPS Update



The Centers for Medicare and Medicaid Services (CMS) have issued a final rule to update the Medicare Inpatient Psychiatric Facility (IPF) Prospective Payment System (PPS) for Fiscal Year (FY) 2025.

A copy of the 233-page document is available at: <https://public-inspection.federalregister.gov/2024-16909.pdf>. The rule is scheduled for publication in the August 7 **Federal Register**.

Addendum A summarizes the fiscal year (FY) 2025 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.

Addendum B contains the complete listing of ICD-10 Clinical Modification (CM) and Procedure Coding System (PCS) codes, the FY 2025 IPF PPS comorbidity adjustment, and electroconvulsive therapy (ECT) procedure codes.

Addenda A and B are available on the CMS website at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientPsychFacilPPS/tools.html>.

Tables setting forth the FY 2025 Wage Index for Urban Areas Based on Core Based Statistical Area (CBSA) Labor Market Areas, and the FY 2025 Wage Index Based on CBSA Labor Market Areas for Rural Areas, and a county-level crosswalk of the FY 2024 CBSA Labor Market Areas to the FY 2025 CBSA Labor Market Areas are available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/IPFPPS/WageIndex.html>.

Comment

Surprise, surprise once again a significant rule with no table of contents. As usual we are adding page numbers from the display copy of the rule.

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larry004b@gmail.com**

Summary of Major Provisions (Page 3)

CMS is:

- Revising the patient-level IPF PPS adjustment factors and increase the electroconvulsive therapy treatments (ECT) payment amount.
- Updating the IPF PPS wage index to use the CBSAs defined within OMB Bulletin 23-01.
- Clarifying the eligibility criteria for an IPF to be approved to file all-inclusive cost reports. Only a government-owned or tribally owned facility satisfies these criteria and is eligible to file its cost report using an all-inclusive rate or no charge structure.
- Making technical rate setting updates: The IPF PPS payment rates will be adjusted annually for input price inflation, as well as statutory and other policy factors.

The rule updates:

- The IPF PPS Federal per diem base rate from \$895.63 to \$876.53.
- The IPF PPS Federal per diem base rate for providers who failed to report quality data to \$859.48.
- The ECT payment per treatment from \$385.58 to \$661.52.
- The ECT payment per treatment for providers who failed to report quality data to \$648.65.
- The labor-related share from 78.7 percent to 78.8 percent.
- The wage index budget neutrality factor to 0.9996.
- A refinement standardization factor of 0.9524.
- The fixed dollar loss threshold amount from \$33,470 to \$38,110.

For the Inpatient Psychiatric Facilities Quality Reporting (IPFQR) Program CMS is:

- finalizing its proposal to adopt the 30-Day Risk-Standardized All-Cause Emergency Department (ED) Visit Following an IPF Discharge measure beginning with the FY 2027 payment determination.
- not finalizing its proposal to modify reporting requirements to require IPFs to submit patient-level data on a quarterly basis.

Summary of Impacts (Page 4)

Provision Description	Total Transfers & Cost Reductions
FY 2025 IPF PPS payment update	The overall economic impact of this final rule is an estimated \$65 million in increased payments to IPFs during FY 2025.
FY2025 IPFQR Program update	CMS estimates no economic impact for the policies being finalized.

CMS estimates that the FY 2025 rule would be a net increase of \$65 million in payments to IPF providers. This reflects a \$75 million increase from the update to the payment rates (+\$90 million from the 2nd quarter 2024 IGI forecast of the 2021-based IPF market basket of 3.3 percent, and -\$15 million for the productivity adjustment of 0.5 percentage point), as well as a \$10 million decrease as a result of the update to the outlier threshold amount. Outlier payments are estimated to change from 2.3 percent in FY 2024 to 2.0 percent of total estimated IPF payments in FY 2025. (Page 167)

PROVISIONS OF THE FY 2025 IPF PPS FINAL RULE AND RESPONSES TO COMMENTS (Page 12)

FY 2025 IPF Market Basket Update (Page 13)

Based on the more recent IGI second quarter 2024 forecast with historical data through the first quarter of 2024, the projected 2021-based IPF market basket increase factor for FY 2025 is **3.3 percent**, which is 0.2 percentage point higher than the proposed FY 2025 market basket increase factor. (Page 17)

The 10-year moving average growth of total factor productivity (TFP) for FY 2025 is now projected to be **0.5 percent** an increase from the proposed amount of 0.4 percent. (Page 22)

Therefore, the final FY 2025 IPF update is equal to **2.8 percent** (3.3 percent market basket update reduced by the 0.5 percentage point productivity adjustment).

Comment

CMS says a number of commenters “noted that when CMS underestimates the market basket update under the Skilled Nursing Facility Prospective Payment System (PPS) and the capital input price index used in the Inpatient Prospective Payment System (IPPS), CMS makes a forecast error adjustment when the error exceeds a threshold. The commenters requested a consistent policy between these payment systems and implementation of a forecast error adjustment.”

However, CMS’ response is to say the least awful and illogical. CMS says, “while there is no precedent for adjusting for market basket forecast error in the IPF payment update, a forecast error can be calculated for a prior year by comparing the actual market basket increase for a given year less the forecasted market basket increase. Due to the uncertainty regarding future price trends, forecast errors can be both positive and negative. As of now, the cumulative forecast error since IPF PPS inception (rate year 2007 to FY 2023) is -0.2 percent, which reflects that forecasted market basket updates for each payment year for IPFs were higher than the actual market basket updates from 2012 through 2020 (with the exception of 2018); the opposite was true for 2021 through 2023. Only considering the forecast error for years when the IPF market basket update was lower than the actual market basket update does not consider the full experience and impact of forecast error.”

As we have said on numerous occasions if CMS has implemented forecast error correction method in the skilled nursing PPS why won’t it do so for all PPS programs. And, the forecast error should be made every year. Such a change would help with transparency.

FY 2025 IPF Labor-Related Share (Page 24)

The labor-related share for FY 2025 based on more recent data is 78.8 percent. The current amount is 78.7 percent.

Increase in the Electroconvulsive Therapy (ECT) Payment per Treatment (Page 29)

The current (FY 2024) Federal per diem base rate is \$895.63 and the ECT payment per treatment is \$385.58.

For the final FY 2025 Federal **per diem base** rate, CMS applied the payment rate update of 2.8 percent—that is, the final 2021-based IPF market basket percentage increase for FY 2025 of 3.3 percent reduced by the final productivity adjustment of 0.5 percentage point— a wage index budget neutrality factor of 0.9996 and a refinement standardization factor of 0.9524 to the FY 2024 Federal per diem base rate of \$895.63, yielding a final Federal per diem base rate of **\$876.53** for FY 2025. (Page 38)

CMS is finalizing its proposal with respect to the ECT payment **per treatment**. In addition to its routine updates to the rate, CMS applied the 2.8 percent IPF market basket update, the 0.9996 wage index budget neutrality factor, and the 0.9524 refinement standardization factor to the final payment per treatment based on the CY 2024 OPPS geometric mean cost of \$675.93, yielding a final ECT payment per treatment of **\$661.52** for FY 2025.

In the case of an IPF that fails to report required quality data with respect to a Rate Year (RY), the Secretary will reduce any annual update to a standard Federal rate for discharges during the RY by 2.0 percentage points. Therefore, CMS is applying a 2.0 percentage point reduction to the annual update to the Federal per diem base rate and the ECT payment per treatment as follows:

- For IPFs that fail to report required data under the IPFQR Program, CMS will apply a 0.8 percent payment rate update—that is, the final IPF market basket increase for FY 2025 of 3.3 percent reduced by the productivity adjustment of 0.5 percentage point for an update of 2.8 percent, and further reduced by 2.0 percentage points in accordance with section 1886(s)(4)(A)(i) of the Act. CMS will also apply the refinement standardization factor of 0.9524 and the wage index budget neutrality factor of 0.9996 to the FY 2024 Federal per diem base rate of \$895.63, yielding a Federal **per diem** base rate of **\$859.48** for FY 2025.
- CMS would apply the 0.8 percent annual payment rate update, the 0.9524 refinement standardization factor, and the 0.9996 wage index budget neutrality factor to the payment per treatment based on the CY 2024 OPPS geometric mean cost of \$675.93, yielding an ECT payment **per treatment** of **\$648.65** for FY 2025.

Updates and Revisions to the IPF PPS Patient-Level Adjustment Factors (Page 39)

IPF PPS Patient-Level Adjustments

The IPF PPS includes a number of payment adjustments for patient-level characteristics: (1) Medicare Severity Diagnosis Related Groups (MS-DRGs) assignment of the patient's principal diagnosis, (2) selected comorbidities, (3) patient age, and (4) variable per diem adjustments.

Comment

CMS spends 20 pages, nearly 10 percent of this rule, explaining the data and methodology it has used to revise the patient level adjustment amounts for FY 2025.

Revisions to MS-DRG Adjustment Factors (Page 64)

CMS will maintain DRG adjustments for 15 of the existing 17 IPF MS-DRGs for which it currently adjusts payment in FY 2024.

CMS will replace two existing DRGs with two new DRGs to reflect changes in coding practices over time and as proposed will add two DRGs that are associated with poisoning.

The two DRGs associated with poisoning are DRG 917 (Poisoning and toxic effects of drugs w MCC) and DRG 918 (Poisoning and toxic effects of drugs w/out MCC).

Appendix A (available on CMS' web-site) provides the final list of the DRG Adjustments Factors.

MS-DRG	MS-DRG Descriptions	FY 2025 Adjustment Factor
056	Degenerative nervous system disorders w MCC	1.12
057	Degenerative nervous system disorders w/o MCC	1.11
876	OR procedure w principal diagnoses of mental illness	1.29
880	Acute adjustment reaction & psychosocial dysfunction	1.08
881	Depressive neuroses	1.06
882	Neuroses except depressive	1.02
883	Disorders of personality & impulse control	1.17
884	Organic disturbances & intellectual disabilities	1.08
885	Psychoses	1.00
886	Behavioral & developmental disorders	1.07
887	Other mental disorder diagnoses	1.00
894	Alcohol/drug abuse or dependence, left AMA	0.86
895	Alcohol/drug abuse or dependence w rehabilitation therapy	0.90
896	Alcohol/drug abuse or dependence w/o rehabilitation therapy w MCC	1.00
897	Alcohol/drug abuse or dependence w/o rehabilitation therapy w/o MCC	0.95
917	Poisoning and toxic effects of drugs w MCC	1.19
918	Poisoning and toxic effects of drugs w/out MCC	1.12
947	Signs and Symptoms w MCC	1.12
948	Signs and Symptoms w/out MCC	1.09

Revisions to Comorbidity Adjustments (Page 69)

CMS is removing the comorbidity categories for Coagulation Factor Deficit, Drug/Alcohol Induced Mental Disorders, and Infectious Diseases.

CMS is modifying the Chronic Obstructive Pulmonary Disease comorbidity category to include ICD-10-CM codes associated with sleep apnea (specifically, G4733 Obstructive sleep apnea (adult) (pediatric), 5A09357 Assistance with Respiratory Ventilation, <24 Hrs, CPAP, Z9981 Dependence on supplemental oxygen, and Z9989 Dependence on other enabling machines and devices).

CMS is adding a new comorbidity category recognizing the costs associated with Intensive Management for High-Risk Behavior.

The FY 2025 comorbidity adjustment factors are displayed in the table below, and can be found in Addendum A, available on the CMS website at: <https://www.cms.gov/medicare/payment/prospective-payment-systems/inpatient-psychiatric-facility/tools-and-worksheets>. (Page 82)

Comparison of FY 2024 and FY 2025 IPF PPS Comorbidity Category Adjustments

Description	Current Adjustment Factor	FY 2025 Adjustment Factor
Renal Failure, Acute	1.11	1.06
Artificial Openings – Digestive & Urinary	1.08	1.07
Cardiac Conditions	1.11	1.04

Description	Current Adjustment Factor	FY 2025 Adjustment Factor
Renal Failure, Chronic	1.11	1.08
Coagulation Factor Deficit	1.13	N/A
Chronic Obstructive Pulmonary Disease	1.12	N/A
Chronic Obstructive Pulmonary Disease and Sleep Apnea	N/A	1.09
Developmental Disabilities	1.04	1.04
Uncontrolled Diabetes	1.05	1.05
Drug/Alcohol Induced Mental Disorders	1.03	N/A
Eating and Conduct Disorders	1.12	N/A
Eating Disorders	N/A	1.09
Gangrene	1.10	1.12
Infectious Diseases	1.07	N/A
Severe Protein Malnutrition	1.13	1.17
Oncology Treatment	1.07	1.44
Poisoning	1.11	1.16
Severe Musculoskeletal & Connective Tissue Diseases	1.09	1.05
Tracheostomy	1.06	1.09
Intensive Management for High-Risk Behavior	N/A	1.07

Patient Age Adjustments (Page 83)

CMS is revising the age adjustment factors as reflected in the table below.

	Current Adjustment Factors	# of Stays CY 2019- CY 2021	% of Stays CY 2019- CY 2021	FY 2025 Adjustment Factors
Under 45	1.00	234,270	29.04%	1.00
45 and under 50	1.01			
50 and under 55	1.02			
<i>45 and under 55</i>	N/A	121,498	15.06%	1.02
55 and under 60	1.04	74,512	9.24%	1.05
60 and under 65	1.07	68,136	8.45%	1.06
65 and under 70	1.10	94,473	11.71%	1.09
70 and under 75	1.13			
75 and under 80	1.15			
<i>70 and under 80</i>	N/A	126,280	15.66%	1.11
80 and over	1.17	87,442	10.84%	1.13

Variable Per Diem Adjustments (Page 84)

For FY 2025, CMS is revising the variable per diem adjustment factors as indicated in the table below, and as also shown in Addendum A.

Updates to Variable Per Diem Adjustments

Description	Current Adjustment Factors	# of Stays CY 2019–CY 2021	% of Stays CY 2019–CY 2021	FY 2025 Adjustment Factors
Length of stay - 1 day without ED	1.19	17,141	2.09%	1.28
Length of stay - 1 day with a qualified ED	1.31	N/A	N/A	1.54
Length of stay - 2 days	1.12	28,370	3.52%	1.20
Length of stay - 3 days	1.08	42,298	5.24%	1.15
Length of stay - 4 days	1.05	48,187	5.97%	1.12
Length of stay - 5 days	1.04	54,187	6.72%	1.08
Length of stay - 6 days	1.02	59,215	7.34%	1.06
Length of stay - 7 days	1.01	63,095	7.82%	1.03
Length of stay - 8 days	1.01	51,491	6.38%	1.02
Length of stay - 9 days	1.00	42,855	5.31%	1.01
Length of stay - greater than or equal to 10 days	1.00 – 0.92	400,022	49.59%	1.00

Updates to the IPF PPS Facility-Level Adjustments (Page 86)

The IPF PPS includes facility-level adjustments for the wage index, IPFs located in rural areas, teaching IPFs, cost of living adjustments for IPFs located in Alaska and Hawaii, and IPFs with a qualifying ED.

Implementation of New Labor Market Area Delineations (Page 95)

CMS is adopting area wage indexes based the OMB delineations announced in OMB Bulletin No. 23-01 effective for FY 2025 under the IPF PPS.

CMS will phase out the rural adjustment for IPFs that are transitioning from rural to urban areas.

Change to County-Equivalents in the State of Connecticut (Page 96)

The June 6, 2022, Census Bureau Notice, OMB Bulletin No. 23–01 replaced the 8 counties in Connecticut with 9 new “Planning Regions.” Planning regions now serve as county-equivalents within the CBSA system.

CMS is providing the following crosswalk for each county in Connecticut with the current and new FIPS county and county equivalent codes and CBSA assignments.

Change to County-Equivalents in the State of Connecticut

FIPS	Current County	Current CBSA	Proposed FIPS	Proposed Planning Region Area (County Equivalent)	Proposed CBSA
09003	HARTFORD	25540	09110	CAPITOL	25540
09015	WINDHAM	49340	09150	NORTHEASTERN CONNECTICUT	7
09005	LITCHFIELD	7	09160	NORTHWEST HILLS	7
09001	FAIRFIELD	14860	09190	WESTERN CONNECTICUT	14860
09001	FAIRFIELD	14860	09120	GREATER BRIDGEPORT	14860
09011	NEW LONDON	35980	09180	SOUTHEASTERN CONNECTICUT	35980
09013	TOLLAND	25540	09110	CAPITOL	25540
09009	NEW HAVEN	35300	09140	NAUGATUCK VALLEY	47930
09009	NEW HAVEN	35300	09170	SOUTH CENTRAL CONNECTICUT	35300
09007	MIDDLESEX	25540	09130	LOWER CONNECTICUT RIVER VALLEY	25540

Comment

CMS is adopting OMB Bulletin 23-01 across all PPS programs. With respect to the above table; first it uses "Proposed" rather than "Final" titles. Second, it lists 10 areas and not 9. To say the least this sloppy and not helpful.

Urban Counties That Would Become Rural Under the Revised OMB Delineations (Page 97)

CMS says that a total of 53 counties (and county equivalents) and 15 providers located in areas that were previously considered part of an urban CBSA would be considered rural beginning in FY 2025 under the revised OMB delineations. The table below identifies 48 counties. Excluded are 5 counties in Puerto Rico.

Counties Previously Considered Part of an Urban CBSA that Would Become Rural Areas Under Revised OMB Delineations

County Code	County/County Equivalent	State	Current CBSA	Labor Market Area
01129	Washington	AL	33660	Mobile, AL
05025	Cleveland	AR	38220	Pine Bluff, AR
05047	Franklin	AR	22900	Fort Smith, AR-OK
05069	Jefferson	AR	38220	Pine Bluff, AR
05079	Lincoln	AR	38220	Pine Bluff, AR
10005	Sussex	DE	41540	Salisbury, MD-DE
13171	Lamar	GA	12060	Atlanta-Sandy Springs-Alpharetta, GA
16077	Power	ID	38540	Pocatello, ID
17057	Fulton	IL	37900	Peoria, IL
17077	Jackson	IL	16060	Carbondale-Marion, IL
17087	Johnson	IL	16060	Carbondale-Marion, IL
17183	Vermilion	IL	19180	Danville, IL
17199	Williamson	IL	16060	Carbondale-Marion, IL
18121	Parke	IN	45460	Terre Haute, IN
18133	Putnam	IN	26900	Indianapolis-Carmel-Anderson, IN

County Code	County/County Equivalent	State	Current CBSA	Labor Market Area
18161	Union	IN	17140	Cincinnati, OH-KY-IN
21091	Hancock	KY	36980	Owensboro, KY
21101	Henderson	KY	21780	Evansville, IN-KY
22045	Iberia	LA	29180	Lafayette, LA
24001	Allegany	MD	19060	Cumberland, MD-WV
24047	Worcester	MD	41540	Salisbury, MD-DE
25011	Franklin	MA	44140	Springfield, MA
26155	Shiawassee	MI	29620	Lansing-East Lansing, MI
27075	Lake	MN	20260	Duluth, MN-WI
28031	Covington	MS	25620	Hattiesburg, MS
31051	Dixon	NE	43580	Sioux City, IA-NE-SD
36123	Yates	NY	40380	Rochester, NY
37049	Craven	NC	35100	New Bern, NC
37077	Granville	NC	20500	Durham-Chapel Hill, NC
37085	Harnett	NC	22180	Fayetteville, NC
37087	Haywood	NC	11700	Asheville, NC
37103	Jones	NC	35100	New Bern, NC
37137	Pamlico	NC	35100	New Bern, NC
42037	Columbia	PA	14100	Bloomsburg-Berwick, PA
42085	Mercer	PA	49660	Youngstown-Warren-Boardman, OH-PA
42089	Monroe	PA	20700	East Stroudsburg, PA
42093	Montour	PA	14100	Bloomsburg-Berwick, PA
t42103	Pike	PA	35084	Newark, NJ-PA
45027	Clarendon	SC	44940	Sumter, SC
48431	Sterling	TX	41660	San Angelo, TX
49003	Box Elder	UT	36260	Ogden-Clearfield, UT
51113	Madison	VA	47894	Washington-Arlington-Alexandria, DC-VA-MD-WV
51175	Southampton	VA	47260	Virginia Beach-Norfolk-Newport News, VA-NC
51620	Franklin City	VA	47260	Virginia Beach-Norfolk-Newport News, VA-NC
54035	Jackson	WV	16620	Charleston, WV
54043	Lincoln	WV	16620	Charleston, WV
54057	Mineral	WV	19060	Cumberland, MD-WV
55069	Lincoln	WI	48140	Wausau-Weston, WI

Rural Counties That Would Become Urban Under the Revised OMB Delineations (Page 99)

Analysis of OMB labor market area delineations shows that a total of 54 counties (and county equivalents) and 10 providers are located in areas that were previously considered rural will now be considered urban under the revised OMB delineations.

Counties that Would Gain Urban Status Under Revised OMB Delineations

County Code	County/ County Equivalent	State	New CBSA	Labor Market Area
01087	Macon	AL	12220	Auburn-Opelika, AL
01127	Walker	AL	13820	Birmingham, AL
12133	Washington	FL	37460	Panama City-Panama City Beach, FL

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larry004b@gmail.com**

County Code	County/ County Equivalent	State	New CBSA	Labor Market Area
13187	Lumpkin	GA	12054	Atlanta-Sandy Springs-Roswell, GA
15005	Kalawao	HI	27980	Kahului-Wailuku, HI
17053	Ford	IL	16580	Champaign-Urbana, IL
17127	Massac	IL	37140	Paducah, KY-IL
18159	Tipton	IN	26900	Indianapolis-Carmel-Greenwood, IN
18179	Wells	IN	23060	Fort Wayne, IN
20021	Cherokee	KS	27900	Joplin, MO-KS
21007	Ballard	KY	37140	Paducah, KY-IL
21039	Carlisle	KY	37140	Paducah, KY-IL
21127	Lawrence	KY	26580	Huntington-Ashland, WV-KY-OH
21139	Livingston	KY	37140	Paducah, KY-IL
21145	McCracken	KY	37140	Paducah, KY-IL
21179	Nelson	KY	31140	Louisville/Jefferson County, KY-IN
22053	Jefferson Davis	LA	29340	Lake Charles, LA
22083	Richland	LA	33740	Monroe, LA
26015	Barry	MI	24340	Grand Rapids-Wyoming-Kentwood, MI
26019	Benzie	MI	45900	Traverse City, MI
26055	Grand Traverse	MI	45900	Traverse City, MI
26079	Kalkaska	MI	45900	Traverse City, MI
26089	Leelanau	MI	45900	Traverse City, MI
27133	Rock	MN	43620	Sioux Falls, SD-MN
28009	Benton	MS	32820	Memphis, TN-MS-AR
28123	Scott	MS	27140	Jackson, MS
30007	Broadwater	MT	25740	Helena, MT
30031	Gallatin	MT	14580	Bozeman, MT
30043	Jefferson	MT	25740	Helena, MT
30049	Lewis and Clark	MT	25740	Helena, MT
30061	Mineral	MT	33540	Missoula, MT
32019	Lyon	NV	39900	Reno, NV
37125	Moore	NC	38240	Pinehurst-Southern Pines, NC
38049	McHenry	ND	33500	Minot, ND
38075	Renville	ND	33500	Minot, ND
38101	Ward	ND	33500	Minot, ND
39007	Ashtabula	OH	17410	Cleveland, OH
39043	Erie	OH	41780	Sandusky, OH
41013	Crook	OR	13460	Bend, OR
41031	Jefferson	OR	13460	Bend, OR
42073	Lawrence	PA	38300	Pittsburgh, PA
45087	Union	SC	43900	Spartanburg, SC
46033	Custer	SD	39660	Rapid City, SD
47081	Hickman	TN	34980	Nashville-Davidson--Murfreesboro--Franklin, TN
48007	Aransas	TX	18580	Corpus Christi, TX
48035	Bosque	TX	47380	Waco, TX
48079	Cochran	TX	31180	Lubbock, TX
48169	Garza	TX	31180	Lubbock, TX

County Code	County/ County Equivalent	State	New CBSA	Labor Market Area
48219	Hockley	TX	31180	Lubbock, TX
48323	Maverick	TX	20580	Eagle Pass, TX
48407	San Jacinto	TX	26420	Houston-Pasadena-The Woodlands, TX
51063	Floyd	VA	13980	Blacksburg-Christiansburg-Radford, VA
51181	Surry	VA	47260	Virginia Beach-Chesapeake-Norfolk, VA-NC
55123	Vernon	WI	29100	La Crosse-Onalaska, WI-MN

Urban Counties That Would Move to a Different Urban CBSA Under the New OMB Delineations (Page 102)

Current CBSAs and their New CBSA Codes and Titles

Current CBSA Code	Current CBSA Title	CBSA Code	CBSA Title
10540	Albany-Lebanon, OR	10540	Albany, OR
12420	Austin-Round Rock-Georgetown, TX	12420	Austin-Round Rock-San Marcos, TX
12540	Bakersfield, CA	12540	Bakersfield-Delano, CA
15260	Brunswick, GA	15260	Brunswick-St. Simons, GA
16540	Chambersburg- Waynesboro, PA	16540	Chambersburg, PA
16984	Chicago-Naperville- Evanston, IL	16984	Chicago-Naperville-Schaumburg, IL
19430	Dayton-Kettering, OH	19430	Dayton-Kettering-Beavercreek, OH
19740	Denver-Aurora- Lakewood, CO	19740	Denver-Aurora-Centennial, CO
21820	Fairbanks, AK	21820	Fairbanks-College, AK
22660	Fort Collins, CO	22660	Fort Collins-Loveland, CO
23224	Frederick-Gaithersburg- Rockville, MD	23224	Frederick-Gaithersburg-Bethesda, MD
24860	Greenville-Anderson, SC	24860	Greenville-Anderson-Greer, SC
25940	Hilton Head Island- Bluffton, SC	25940	Hilton Head Island-Bluffton-Port Royal, SC
26380	Houma-Thibodaux, LA	26380	Houma-Bayou Cane-Thibodaux, LA
29820	Las Vegas-Henderson- Paradise, NV	29820	Las Vegas-Henderson-North Las Vegas, NV
31020	Longview, WA	31020	Longview-Kelso, WA
34740	Muskegon, MI	34740	Muskegon-Norton Shores, MI
35840	North Port-Sarasota- Bradenton, FL	35840	North Port-Bradenton-Sarasota, FL
36084	Oakland-Berkeley- Livermore, CA	36084	Oakland-Fremont-Berkeley, CA
36540	Omaha-Council Bluffs, NE-IA	36540	Omaha, NE-IA
39340	Provo-Orem, UT	39340	Provo-Orem-Lehi, UT
39540	Racine, WI	39540	Racine-Mount Pleasant, WI
41620	Salt Lake City, UT	41620	Salt Lake City-Murray, UT
42680	Sebastian-Vero Beach, FL	42680	Sebastian-Vero Beach-West Vero Corridor, FL
42700	Sebring-Avon Park, FL	42700	Sebring, FL
44420	Staunton, VA	44420	Staunton-Stuarts Draft, VA
44700	Stockton, CA	44700	Stockton-Lodi, CA
47220	Vineland-Bridgeton, NJ	47220	Vineland, NJ
48300	Wenatchee, WA	48300	Wenatchee-East Wenatchee, WA
48424	West Palm Beach-Boca Raton-Boynton Beach, FL	48424	West Palm Beach-Boca Raton-Delray Beach, FL

**Urban Counties That Would Move to a Newly Proposed or Modified CBSA
Under Revised OMB Delineations (Page 103)**

County Code	County Name	State	Current CBSA	Current CBSA Name	CBSA Code	CBSA Name
06039	Madera	CA	31460	Madera, CA	23420	Fresno, CA
11001	The District	DC	47894	Washington -Arlington- Alexandria, DC-VA- MD-WV	47764	Washington, DC- MD
12053	Hernando	FL	45300	Tampa-St. Petersburg- Clearwater, FL	45294	Tampa, FL
12057	Hillsborough	FL	45300	Tampa-St. Petersburg- Clearwater, FL	45294	Tampa, FL
12101	Pasco	FL	45300	Tampa-St. Petersburg- Clearwater, FL	45294	Tampa, FL
12103	Pinellas	FL	45300	Tampa-St. Petersburg- Clearwater, FL	41304	St. Petersburg- Clearwater- Largo, FL
12119	Sumter	FL	45540	The Villages, FL	48680	Wildwood-The Villages, FL
13013	Barrow	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13015	Bartow	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	31924	Marietta, GA
13035	Butts	GA	12060	Atlanta- Sandy Springs-Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13045	Carroll	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13057	Cherokee	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	31924	Marietta, GA
13063	Clayton	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13067	Cobb	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	31924	Marietta, GA
13077	Coweta	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13085	Dawson	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13089	De Kalb	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13097	Douglas	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13113	Fayette	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13117	Forsyth	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13121	Fulton	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13135	Gwinnett	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13143	Haralson	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	31924	Marietta, GA
13149	Heard	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13151	Henry	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13159	Jasper	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13199	Meriwether	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13211	Morgan	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13217	Newton	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13223	Paulding	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	31924	Marietta, GA
13227	Pickens	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA

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larry004b@gmail.com**

County Code	County Name	State	Current CBSA	Current CBSA Name	CBSA Code	CBSA Name
13231	Pike	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13247	Rockdale	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13255	Spalding	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
13297	Walton	GA	12060	Atlanta- Sandy Springs- Alpharetta, GA	12054	Atlanta-Sandy Springs-Roswell, GA
18073	Jasper	IN	23844	Gary, IN	29414	Lake County-Porter County-Jasper County, IN
18089	Lake	IN	23844	Gary, IN	29414	Lake County-Porter County-Jasper County, IN
18111	Newton	IN	23844	Gary, IN	29414	Lake County-Porter County-Jasper County, IN
18127	Porter	IN	23844	Gary, IN	29414	Lake County-Porter County-Jasper County, IN
21163	Meade	KY	21060	Elizabethtown-Fort Knox, KY	31140	Louisville/Jefferson County, KY-IN
22103	St. Tammany	LA	35380	New Orleans- Metairie, LA	43640	Slidell-Mandeville-Covington, LA
25015	Hampshire	MA	44140	Springfield, MA	11200	Amherst Town-Northampton, MA
24009	Calvert	MD	47894	Washington -Arlington- Alexandria, DC-VA- MD-WV	30500	Lexington Park, MD
24017	Charles	MD	47894	Washington -Arlington- Alexandria, DC-	47764	Washington, DC- MD
24033	Prince Georges	MD	47894	Washington -Arlington- Alexandria, DC-VA- MD-WV	47764	Washington, DC- MD
24037	St. Marys	MD	15680	California- Lexington Park, MD	30500	Lexington Park, MD
37019	Brunswick	NC	34820	Myrtle Beach- Conway- North Myrtle Beach, SC- NC	48900	Wilmington, NC
34009	Cape May	NJ	36140	Ocean City, NJ	12100	Atlantic City- Hammonton, NJ
34023	Middlesex	NJ	35154	New Brunswick- Lakewood, NJ	29484	Lakewood-New Brunswick, NJ
34025	Monmouth	NJ	35154	New Brunswick- Lakewood, NJ	29484	Lakewood-New Brunswick, NJ
34029	Ocean	NJ	35154	New Brunswick- Lakewood, NJ	29484	Lakewood-New Brunswick, NJ
34035	Somerset	NJ	35154	New Brunswick- Lakewood, NJ	29484	Lakewood-New Brunswick, NJ
36027	Dutchess	NY	39100	Poughkeepsie- Newburgh-Middletown, NY	28880	Kiryas Joel- Poughkeepsie-Newburgh, NY
36071	Orange	NY	39100	Poughkeepsie- Newburgh-Middletown, NY	28880	Kiryas Joel- Poughkeepsie-Newburgh, NY
39035	Cuyahoga	OH	17460	Cleveland- Elyria, OH	17410	Cleveland, OH
39055	Geauga	OH	17460	Cleveland- Elyria, OH	17410	Cleveland, OH
39085	Lake	OH	17460	Cleveland- Elyria, OH	17410	Cleveland, OH
39093	Lorain	OH	17460	Cleveland- Elyria, OH	17410	Cleveland, OH
39103	Medina	OH	17460	Cleveland- Elyria, OH	17410	Cleveland, OH
39123	Ottawa	OH	45780	Toledo, OH	41780	Sandusky, OH
47057	Grainger	TN	34100	Morristown, TN	28940	Knoxville, TN
51510	Alexandria City	VA	47894	Washington - Arlington-Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51013	Arlington	VA	47894	Washington - Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51043	Clarke	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington-Alexandria-Reston, VA-WV

County Code	County Name	State	Current CBSA	Current CBSA Name	CBSA Code	CBSA Name
51047	Culpeper	VA	47894	Washington- Arlington-Alexandria, DC-VA- MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51059	Fairfax	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51600	Fairfax City	VA	47894	Washington-Arlington-Alexandria, DC-VA- MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51610	Falls Church City	VA	47894	Washington -Arlington-Alexandria, DC-VA-MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51061	Fauquier	VA	47894	Washington-Arlington-Alexandria, DC-VA-MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51630	Fredericksburg City	VA	47894	Washington-Arlington- Alexandria, DC-VA-MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51107	Loudoun	VA	47894	Washington-Arlington- Alexandria, DC-VA-MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51683	Manassas City	VA	47894	Washington-Arlington-Alexandria, DC-VA-MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51685	Manassas Park City	VA	47894	Washington-Arlington-Alexandria, DC-VA- MD-WV	11694	Arlington-Alexandria-Reston, VA-WV
51153	Prince William	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51157	Rappahannock	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51177	Spotsylvania	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51179	Stafford	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
51187	Warren	VA	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV
53061	Snohomish	WA	42644	Seattle- Bellevue- Kent, WA	21794	Everett, WA
55059	Kenosha	WI	29404	Lake County- Kenosha County, IL- WI	28450	Kenosha, WI
54037	Jefferson	WV	47894	Washington-Arlington- Alexandria, DC-VA- MD-WV	11694	Arlington- Alexandria-Reston, VA-WV

CMS did not propose any changes to its established 5.0-percent wage index cap policy and CMS is not finalizing any changes to that policy for FY 2025. (Page 114)

Adjustment for Rural Location (Page 114)

For FY 2024, CMS applies a 17 percent payment adjustment for IPFs located in a rural area.

Adoption of the updated CBSAs in Bulletin 23-01 will change the status of IPF providers currently designated as “rural” to “urban” for FY 2025 and subsequent fiscal years. As such, these newly urban providers will no longer receive the 17-percent rural adjustment.

CMS is phasing out the rural adjustment for these providers to reduce the impact of the loss of the FY 2024 rural adjustment of 17-percent over FYs 2025, 2026, and 2027. This policy would allow IPFs that are classified as rural in FY 2024 and would be classified as urban in FY 2025 to receive two-thirds of the rural adjustment for FY 2025, IPFs would receive one-third of the rural adjustment for FY 2026 and none in FY 2027.

CMS is not adopting a transition policy for urban IPFs that become rural in FY 2025 because these IPFs will receive the full rural adjustment of 17-percent beginning October 1, 2024.

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Budget Neutrality Adjustment (Page 118)

The FY 2025 budget-neutral wage adjustment factor will be 0.9996.

Teaching Adjustment (Page 120)

CMS will continue to retain the coefficient value of 0.5150 for the teaching adjustment to the Federal per diem base rate.

Adjustment for IPFs with a Qualifying Emergency Department (ED) (Page 125)

CMS is updating the adjustment factor from 1.31 in FY 2024 to 1.53 in FY 2025 for IPFs with qualifying EDs using the same methodology used to determine ED adjustments in prior years.

If an IPF does not have a qualifying ED, it will receive an adjustment factor of 1.27 as the variable per diem adjustment for day 1 of each patient stay.

Update to the Outlier Fixed Dollar Loss Threshold Amount (Page 127)

Based on an analysis of updated data, CMS estimates that IPF outlier payments as a percentage of total estimated payments is approximately 2.3 percent in FY 2024. An increase from the proposed rule citing estimated payments at 2.1 percent

CMS is finalizing an update to the outlier threshold amount to **\$38,110** to maintain estimated outlier payments at 2.0 percent of total estimated aggregate IPF payments for FY 2025.

The FY 2024 threshold of \$33,470.

Requirements for Reporting Ancillary Charges and All-Inclusive Status Eligibility Under the IPF PPS (Page 132)

CMS is clarifying the eligibility criteria to be approved to file all-inclusive cost reports. CMS says that only government-owned or tribally owned facilities are able to satisfy these criteria, and thus only these facilities will be permitted to file an all-inclusive cost report for cost reporting periods beginning on or after October 1, 2024.

Refinement Standardization Factor (Page 141)

Section 1886(s)(5)(D)(iii) of the Act, as added by section 4125(a) of the CAA, 2023, states that revisions in payment implemented pursuant to section 1886(s)(5)(D)(i) for a rate year shall result in the same estimated amount of aggregate expenditures under this title for psychiatric hospitals and psychiatric units furnished in the rate year as would have been made under this title for such care in such rate year if such revisions had not been implemented. CMS says it interprets this to mean that revisions in payment adjustments implemented for FY 2025 (and for any subsequent fiscal year) must be budget neutral.

The final FY 2025 refinement standardization factor is **0.9524**.

REQUESTS FOR INFORMATION (RFI) TO INFORM FUTURE REVISIONS TO THE IPF PPS IN ACCORDANCE WITH THE CAA, 2023 (Page 143)

The **Consolidation Appropriations Act** (CAA), 2023, requires IPFs to collect and submit standardized patient assessment data on specified categories. CMS says this data will enable the agency to propose future revisions to the IPF PPS that would more accurately pay for care, monitor quality, and assess for disparities in behavioral health care.

In addition, CMS is seeking to understand the burden on IPFs that this additional data collection would impose and solicited comment on ways to minimize this burden by evaluating whether any data that is currently collected through one or more existing assessment instruments in other settings, or collected as part of IPFs' existing processes, could be collected as standardized patient assessment data elements for the IPF-PAI.

CMS says it will take received comments into consideration for development of the IPF-PAI and in future rulemaking.

INPATIENT PSYCHIATRIC FACILITY QUALITY REPORTING (IPFQR) PROGRAM (Page 171)

Adoption of the 30-Day Risk-Standardized All-Cause ED Visit Following an IPF Discharge Measure Beginning with the CY 2025 Performance Period/FY 2027 Payment Determination (Page 175)

CMS is finalizing its proposal to adopt one new measure, the 30-Day Risk-Standardized All-Cause Emergency Department Visit Following an Inpatient Psychiatric Facility Discharge measure (also referred to as the IPF ED Visit measure). This claims-based measure will assess the proportion of patients 18 and older with an emergency department visit, including observation stays, within 30 days of discharge from an IPF without subsequent admission. Patients subsequently admitted to an acute care hospital or IPF are represented under the Thirty-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility measure, which is already in the IPFQR Program.

Adopting the IPF ED Visit measure, will provide a more complete assessment of post-discharge acute care and encourage improvements in discharge planning and care coordination.

CMS proposed to require IPFs to submit patient-level quality data for certain measures on a quarterly basis (as opposed to the current annual basis). After consideration of the comments received, CMS is not finalizing this proposal. (Page 211)

Final Comments

This year's review must include the OMB's delineation changes to insure providers understand any change to their area wage index values and for potential revenue impacts.

Note; that while CMS is adopting OMB's Bulletin No. 23-01 for all PPS programs, the tables are somewhat different in each of the PPS rules. We have copied each rule as presented in the PPS program for the rule in question.

We must question if anyone is truly reading and reviewing these rules prior to release. We have found numerous errors in this document. Most are typographical in nature and therefore do not detract from the substance being presented.

August 3, 2024

WASHINGTON

perspectives

Quality continues to roll. The quality section in this rule extends some 40 pages and is basically addressing the new 30-Day Risk-Standardized All-Cause Emergency Department Visit Following an Inpatient Psychiatric Facility Discharge measure. The material is both extensive and exhaustive.

This rule is another example of a rule containing too much unneeded material that is unrelated to the actual changes being adopted. It would be very helpful to understand CMS' rationale for all the continued historical redundancy.

We have tried to highlight most items, but there are some that are not addressed. The rule, itself, is the only source to become knowledgeable with all details.