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

July 30, 2016

CMS Releases Inpatient Rehabilitation Facility FY 2017 PPS Update



The Centers for Medicare and Medicaid Services (CMS) have published its final rule to update the payment rates for inpatient rehabilitation facilities (IRFs) for Federal fiscal year (FY) 2017.

The document is currently on display at the **Federal Register** office. Publication is scheduled for August 5th. A copy of the 281-page document is at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2016-18196.pdf>. This link will be superseded upon publication.

The IRF PPS Addenda along with other supporting documents and tables referenced in the rule are available on the CMS Web site at: <http://www.cms.hhs.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/>.

Changes to IRF payment policies and rates:

Changes to the payment rates under the IRF PPS

CMS is proposing to update the IRF PPS payments to reflect an estimated **1.65 percent** increase factor (reflecting an IRF-specific market basket estimate of 2.7 percent, reduced by a 0.3 percentage point multi-factor productivity adjustment and a 0.75 percentage point reduction both required by the **Affordable Care Act** (ACA)).

Comment

CMS says the net effect of these changes will be to increase IRF payments by \$145 million, relative to payments in FY 2016.

The rule is well written and provides very good "final decision" sections summarizing the changes being made. This is one of best formatted rules from CMS.

No changes to the facility-level adjustments

For FY 2017, CMS will continue to hold the facility-level adjustment factors at their current amounts.

Update to the Case-Mix Group (CMG) Relative Weights and Average Length of Stay Values

The following table presents the CMGs, the comorbidity tiers, the corresponding relative weights, and the average length of stay values for each CMG and tier for FY 2017. The average length of stay for each CMG is used to determine when an IRF discharge meets the definition of a short-stay transfer, which results in a per diem case level adjustment.

Relative Weights and Average Length of Stay Values for Case-Mix Groups

CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	None	Tier 1	Tier 2	Tier 3	None
0101	Stroke M>51.05	0.7992	0.7117	0.6511	0.6215	8	9	9	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0130	0.9020	0.8252	0.7877	11	12	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.1836	1.0540	0.9642	0.9204	11	13	12	12
0104	Stroke M>38.85 and M<44.45	1.2598	1.1218	1.0263	0.9796	12	12	12	12
0105	Stroke M>34.25 and M<38.85	1.4572	1.2976	1.1871	1.1331	14	15	14	14
0106	Stroke M>30.05 and M<34.25	1.6296	1.4511	1.3275	1.2671	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8187	1.6195	1.4815	1.4142	17	19	17	17
0108	Stroke M<26.15 and A>84.5	2.2893	2.0386	1.8649	1.7801	21	22	21	20
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.0584	1.8329	1.6768	1.6005	19	20	18	19
0110	Stroke M<22.35 and A<84.5	2.7320	2.4327	2.2255	2.1243	29	27	24	24
0201	Traumatic brain injury M>53.35 and C>23.5	0.7753	0.6341	0.5715	0.5343	8	8	8	7
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.0945	0.8951	0.8067	0.7542	12	10	9	10
0203	Traumatic brain injury M>44.25 and C<23.5	1.2173	0.9955	0.8973	0.8388	11	12	11	11
0204	Traumatic brain injury M>40.65 and M<44.25	1.3455	1.1003	0.9918	0.9272	16	13	12	11
0205	Traumatic brain injury M>28.75 and M<40.65	1.6224	1.3269	1.1959	1.1181	14	15	14	13

CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
0206	Traumatic brain injury M>22.05 and M<28.75	1.9239	1.5734	1.4182	1.3258	19	18	16	15
0207	Traumatic brain injury M<22.05	2.5284	2.0678	1.8637	1.7424	31	23	20	19
0301	Non-traumatic brain injury M>41.05	1.1424	0.9432	0.8571	0.8002	10	11	10	10
0302	Non-traumatic brain injury M>35.05 and M<41.05	1.4063	1.1610	1.0551	0.9850	13	13	12	12
0303	Non-traumatic brain injury M>26.15 and M<35.05	1.6490	1.3614	1.2372	1.1550	15	15	14	14
0304	Non-traumatic brain injury M<26.15	2.1336	1.7614	1.6007	1.4944	21	20	17	16
0401	Traumatic spinal cord injury M>48.45	0.9799	0.8616	0.7947	0.7213	11	11	10	9
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.4052	1.2357	1.1396	1.0344	14	14	14	13
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.2165	1.9492	1.7976	1.6316	20	21	20	19
0404	Traumatic spinal cord injury M<16.05 and A>63.5	3.8702	3.4033	3.1387	2.8489	46	37	34	31
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.4395	3.0246	2.7894	2.5319	49	33	28	28
0501	Non-traumatic spinal cord injury M>51.35	0.8524	0.6715	0.6395	0.5751	9	8	7	8
0502	Non-traumatic spinal cord injury M>40.15 and M<51.35	1.1600	0.9139	0.8703	0.7827	11	11	10	10
0503	Non-traumatic spinal cord injury M>31.25 and M<40.15	1.4557	1.1469	1.0921	0.9822	14	13	13	12
0504	Non-traumatic spinal cord injury M>29.25 and M<31.25	1.7087	1.3462	1.2819	1.1529	19	16	14	14
0505	Non-traumatic spinal cord injury M>23.75 and M<29.25	1.9607	1.5447	1.4709	1.3229	20	17	17	16
0506	Non-traumatic spinal cord injury M<23.75	2.7151	2.1391	2.0369	1.8320	28	24	22	21
0601	Neurological M>47.75	1.0352	0.8205	0.7577	0.6939	10	9	9	9
0602	Neurological M>37.35 and M<47.75	1.3322	1.0560	0.9751	0.8930	12	12	11	11

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CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
0603	Neurological M>25.85 and M<37.35	1.6411	1.3008	1.2012	1.1001	14	14	13	13
0604	Neurological M<25.85	2.1752	1.7241	1.5922	1.4581	20	18	17	16
0701	Fracture of lower extremity M>42.15	0.9991	0.8136	0.7767	0.7052	10	9	9	9
0702	Fracture of lower extremity M>34.15 and M<42.15	1.2759	1.0390	0.9919	0.9006	12	12	12	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5383	1.2527	1.1958	1.0858	15	14	14	13
0704	Fracture of lower extremity M<28.15	1.9943	1.6240	1.5503	1.4076	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.7983	0.6443	0.5958	0.5476	8	8	7	7
0802	Replacement of lower extremity joint M>37.05 and M<49.55	1.0333	0.8340	0.7713	0.7089	11	10	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.3823	1.1156	1.0317	0.9482	13	13	12	12
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.2445	1.0044	0.9289	0.8537	12	12	11	10
0805	Replacement of lower extremity joint M>22.05 and M<28.65	1.4806	1.1949	1.1051	1.0157	15	13	12	12
0806	Replacement of lower extremity joint M<22.05	1.7987	1.4517	1.3425	1.2339	16	16	15	14
0901	Other orthopedic M>44.75	0.9839	0.7940	0.7356	0.6693	11	10	9	8
0902	Other orthopedic M>34.35 and M<44.75	1.2583	1.0155	0.9408	0.8560	12	12	11	10
0903	Other orthopedic M>24.15 and M<34.35	1.5810	1.2760	1.1821	1.0755	15	15	13	13
0904	Other orthopedic M<24.15	2.0014	1.6153	1.4965	1.3615	18	18	16	16
1001	Amputation, lower extremity M>47.65	1.0715	0.9448	0.8199	0.7400	11	11	10	9
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3906	1.2261	1.0641	0.9604	14	15	12	12

CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
1003	Amputation, lower extremity M<36.25	1.9639	1.7317	1.5029	1.3564	18	19	17	16
1101	Amputation, non-lower extremity M>36.35	1.3222	1.1985	0.9739	0.8842	12	12	10	11
1102	Amputation, non-lower extremity M<36.35	1.8953	1.7181	1.3961	1.2676	17	16	16	14
1201	Osteoarthritis M>37.65	1.0379	1.0241	0.9306	0.8231	10	11	11	10
1202	Osteoarthritis M>30.75 and M<37.65	1.2061	1.1900	1.0813	0.9564	12	13	12	11
1203	Osteoarthritis M<30.75	1.5370	1.5165	1.3780	1.2188	14	17	15	14
1301	Rheumatoid, other arthritis M>36.35	1.1939	0.9393	0.8690	0.8007	13	10	10	10
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.6397	1.2900	1.1935	1.0997	14	15	13	13
1303	Rheumatoid, other arthritis M<26.15	2.0215	1.5904	1.4715	1.3558	16	20	15	15
1401	Cardiac M>48.85	0.8666	0.7324	0.6639	0.6025	9	7	8	8
1402	Cardiac M>38.55 and M<48.85	1.1810	0.9981	0.9047	0.8211	11	11	11	10
1403	Cardiac M>31.15 and M<38.55	1.4079	1.1899	1.0785	0.9788	13	13	12	11
1404	Cardiac M<31.15	1.7805	1.5048	1.3640	1.2379	17	16	15	14
1501	Pulmonary M>49.25	1.0089	0.8543	0.7888	0.7436	10	9	9	8
1502	Pulmonary M>39.05 and M<49.25	1.2746	1.0793	0.9966	0.9394	11	11	11	10
1503	Pulmonary M>29.15 and M<39.05	1.5543	1.3162	1.2153	1.1456	15	14	12	12
1504	Pulmonary M<29.15	1.9370	1.6402	1.5145	1.4276	19	17	15	14
1601	Pain syndrome M>37.15	0.9889	0.8933	0.8321	0.7677	9	9	10	9
1602	Pain syndrome M>26.75 and M<37.15	1.2901	1.1654	1.0855	1.0015	12	13	12	12
1603	Pain syndrome M<26.75	1.6155	1.4592	1.3592	1.2540	13	17	15	14

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CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.1345	0.9258	0.8520	0.7671	16	10	10	10
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.4253	1.1631	1.0704	0.9637	13	14	13	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.6987	1.3862	1.2758	1.1486	16	15	15	14
1401	Cardiac M>48.85	0.8666	0.7324	0.6639	0.6025	9	7	8	8
1402	Cardiac M>38.55 and M<48.85	1.1810	0.9981	0.9047	0.8211	11	11	11	10
1403	Cardiac M>31.15 and M<38.55	1.4079	1.1899	1.0785	0.9788	13	13	12	11
1404	Cardiac M<31.15	1.7805	1.5048	1.3640	1.2379	17	16	15	14
1501	Pulmonary M>49.25	1.0089	0.8543	0.7888	0.7436	10	9	9	8
1502	Pulmonary M>39.05 and M<49.25	1.2746	1.0793	0.9966	0.9394	11	11	11	10
1503	Pulmonary M>29.15 and M<39.05	1.5543	1.3162	1.2153	1.1456	15	14	12	12
1504	Pulmonary M<29.15	1.9370	1.6402	1.5145	1.4276	19	17	15	14
1601	Pain syndrome M>37.15	0.9889	0.8933	0.8321	0.7677	9	9	10	9
1602	Pain syndrome M>26.75 and M<37.15	1.2901	1.1654	1.0855	1.0015	12	13	12	12
1603	Pain syndrome M<26.75	1.6155	1.4592	1.3592	1.2540	13	17	15	14
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.1345	0.9258	0.8520	0.7671	16	10	10	10
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.4253	1.1631	1.0704	0.9637	13	14	13	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.6987	1.3862	1.2758	1.1486	16	15	15	14
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.1821	1.7806	1.6387	1.4753	22	19	18	17

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CMG	CMG Description (M=motor, C=cognitive, A=Age)	Relative Weight				Average Length of Stay			
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.2932	1.0595	0.9203	0.8254	14	13	12	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.8234	1.4939	1.2976	1.1639	17	17	15	14
1803	Major multiple trauma with brain or spinal cord injury M<23.05	2.8692	2.3507	2.0419	1.8314	31	27	21	20
1901	Guillian Barre M>35.95	1.2267	1.0516	0.9270	0.9134	14	13	11	11
1902	Guillian Barre and M>18.05 M<35.95	2.2288	1.9106	1.6843	1.6595	20	22	19	19
1903	Guillian Barre M<18.05	3.6684	3.1447	2.7722	2.7315	52	31	32	30
2001	Miscellaneous M>49.15	0.9225	0.7562	0.6942	0.6285	9	9	8	8
2002	Miscellaneous M>38.75 and M<49.15	1.2097	0.9916	0.9104	0.8241	12	11	11	10
2003	Miscellaneous M>27.85 and M<38.75	1.5124	1.2397	1.1381	1.0303	14	14	13	12
2004	Miscellaneous M<27.85	1.9412	1.5912	1.4608	1.3224	19	17	16	15
2101	Burns M>0	1.6899	1.6899	1.5061	1.3813	24	18	16	17
5001	Short-stay cases, length of stay is 3 days or fewer				0.1585				2
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.6785				7
5102	Expired, orthopedic, length of stay is 14 days or more				1.6606				16
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.8002				8
5104	Expired, not orthopedic, length of stay is 16 days or more				2.1200				21

Payment Changes

Labor-Related Share for FY 2017

The FY 2017 labor-related share will be 70.9 percent. The current FY 2016 rate is 71.0 percent.

Area Wage Adjustment

CMS is not making any additional wage index adjustments, but will continue the 3-year phase out of the rural adjustments for IRF providers that changed from rural to urban status. For FY 2018, these IRFs will receive the full FY 2018 wage index with no rural adjustment.

The wage index applicable to FY 2017 is available on the CMS Web site at:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/Data-Files.html>. Table A is for urban areas, and Table B is for rural areas.

Calculations to Determine the FY 2017 Standard Payment Conversion Factor

CMS has calculated the FY 2017 standard conversion factor as shown in the table below:

Explanation for Adjustment	Calculations	
Standard Payment Conversion Factor for FY 2016		\$15,478
Market Basket Increase Factor for FY 2017 (2.7 percent), reduced by 0.3 percentage point for the productivity adjustment as required by section 1886(j)(3)(C)(ii)(I) of the Act, and reduced by 0.75 percentage point in accordance with paragraphs 1886(j)(3)(C) and (D) of the Act	x	1.0165
Budget Neutrality Factor for the Wage Index and Labor-Related Share	x	0.9992
Budget Neutrality Factor for the Revisions to the CMG Relative Weights	x	0.9992
FY 2017 Standard Payment Conversion Factor	=	\$15,708

The CMG relative weights (above) are multiplied by the FY 2017 standard payment conversion factor (\$15,708), resulting in unadjusted IRF prospective payment rates for FY 2017 as shown below.

FY 2017 Payment Rates

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0101	\$12,553.83	\$11,179.38	\$10,227.48	\$9,762.52
0102	\$15,912.20	\$14,168.62	\$12,962.24	\$12,373.19
0103	\$18,591.99	\$16,556.23	\$15,145.65	\$14,457.64
0104	\$19,788.94	\$17,621.23	\$16,121.12	\$15,387.56
0105	\$22,889.70	\$20,382.70	\$18,646.97	\$17,798.73
0106	\$25,597.76	\$22,793.88	\$20,852.37	\$19,903.61
0107	\$28,568.14	\$25,439.11	\$23,271.40	\$22,214.25
0108	\$35,960.32	\$32,022.33	\$29,293.85	\$27,961.81
0109	\$32,333.35	\$28,791.19	\$26,339.17	\$25,140.65
0110	\$42,914.26	\$38,212.85	\$34,958.15	\$33,368.50
0201	\$12,178.41	\$9,960.44	\$8,977.12	\$8,392.78
0202	\$17,192.41	\$14,060.23	\$12,671.64	\$11,846.97
0203	\$19,121.35	\$15,637.31	\$14,094.79	\$13,175.87
0204	\$21,135.11	\$17,283.51	\$15,579.19	\$14,564.46

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0205	\$25,484.66	\$20,842.95	\$18,785.20	\$17,563.11
0206	\$30,220.62	\$24,714.97	\$22,277.09	\$20,825.67
0207	\$39,716.11	\$32,481.00	\$29,275.00	\$27,369.62
0301	\$17,944.82	\$14,815.79	\$13,463.33	\$12,569.54
0302	\$22,090.16	\$18,236.99	\$16,573.51	\$15,472.38
0303	\$25,902.49	\$21,384.87	\$19,433.94	\$18,142.74
0304	\$33,514.59	\$27,668.07	\$25,143.80	\$23,474.04
0401	\$15,392.27	\$13,534.01	\$12,483.15	\$11,330.18
0402	\$22,072.88	\$19,410.38	\$17,900.84	\$16,248.36
0403	\$34,816.78	\$30,618.03	\$28,236.70	\$25,629.17
0404	\$60,793.10	\$53,459.04	\$49,302.70	\$44,750.52
0405	\$54,027.67	\$47,510.42	\$43,815.90	\$39,771.09
0501	\$13,389.50	\$10,547.92	\$10,045.27	\$9,033.67
0502	\$18,221.28	\$14,355.54	\$13,670.67	\$12,294.65
0503	\$22,866.14	\$18,015.51	\$17,154.71	\$15,428.40
0504	\$26,840.26	\$21,146.11	\$20,136.09	\$18,109.75
0505	\$30,798.68	\$24,264.15	\$23,104.90	\$20,780.11
0506	\$42,648.79	\$33,600.98	\$31,995.63	\$28,777.06
0601	\$16,260.92	\$12,888.41	\$11,901.95	\$10,899.78
0602	\$20,926.20	\$16,587.65	\$15,316.87	\$14,027.24
0603	\$25,778.40	\$20,432.97	\$18,868.45	\$17,280.37
0604	\$34,168.04	\$27,082.16	\$25,010.28	\$22,903.83
0701	\$15,693.86	\$12,780.03	\$12,200.40	\$11,077.28
0702	\$20,041.84	\$16,320.61	\$15,580.77	\$14,146.62
0703	\$24,163.62	\$19,677.41	\$18,783.63	\$17,055.75
0704	\$31,326.46	\$25,509.79	\$24,352.11	\$22,110.58
0801	\$12,539.70	\$10,120.66	\$9,358.83	\$8,601.70
0802	\$16,231.08	\$13,100.47	\$12,115.58	\$11,135.40
0803	\$21,713.17	\$17,523.84	\$16,205.94	\$14,894.33
0804	\$19,548.61	\$15,777.12	\$14,591.16	\$13,409.92
0805	\$23,257.26	\$18,769.49	\$17,358.91	\$15,954.62
0806	\$28,253.98	\$22,803.30	\$21,087.99	\$19,382.10
0901	\$15,455.10	\$12,472.15	\$11,554.80	\$10,513.36
0902	\$19,765.38	\$15,951.47	\$14,778.09	\$13,446.05
0903	\$24,834.35	\$20,043.41	\$18,568.43	\$16,893.95
0904	\$31,437.99	\$25,373.13	\$23,507.02	\$21,386.44
1001	\$16,831.12	\$14,840.92	\$12,878.99	\$11,623.92
1002	\$21,843.54	\$19,259.58	\$16,714.88	\$15,085.96
1003	\$30,848.94	\$27,201.54	\$23,607.55	\$21,306.33
1101	\$20,769.12	\$18,826.04	\$15,298.02	\$13,889.01
1102	\$29,771.37	\$26,987.91	\$21,929.94	\$19,911.46
1201	\$16,303.33	\$16,086.56	\$14,617.86	\$12,929.25
1202	\$18,945.42	\$18,692.52	\$16,985.06	\$15,023.13

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
1203	\$24,143.20	\$23,821.18	\$21,645.62	\$19,144.91
1301	\$18,753.78	\$14,754.52	\$13,650.25	\$12,577.40
1302	\$25,756.41	\$20,263.32	\$18,747.50	\$17,274.09
1303	\$31,753.72	\$24,982.00	\$23,114.32	\$21,296.91
1401	\$13,612.55	\$11,504.54	\$10,428.54	\$9,464.07
1402	\$18,551.15	\$15,678.15	\$14,211.03	\$12,897.84
1403	\$22,115.29	\$18,690.95	\$16,941.08	\$15,374.99
1404	\$27,968.09	\$23,637.40	\$21,425.71	\$19,444.93
1501	\$15,847.80	\$13,419.34	\$12,390.47	\$11,680.47
1502	\$20,021.42	\$16,953.64	\$15,654.59	\$14,756.10
1503	\$24,414.94	\$20,674.87	\$19,089.93	\$17,995.08
1504	\$30,426.40	\$25,764.26	\$23,789.77	\$22,424.74
1601	\$15,533.64	\$14,031.96	\$13,070.63	\$12,059.03
1602	\$20,264.89	\$18,306.10	\$17,051.03	\$15,731.56
1603	\$25,376.27	\$22,921.11	\$21,350.31	\$19,697.83
1701	\$17,820.73	\$14,542.47	\$13,383.22	\$12,049.61
1702	\$22,388.61	\$18,269.97	\$16,813.84	\$15,137.80
1703	\$26,683.18	\$21,774.43	\$20,040.27	\$18,042.21
1704	\$34,276.43	\$27,969.66	\$25,740.70	\$23,174.01
1801	\$20,313.59	\$16,642.63	\$14,456.07	\$12,965.38
1802	\$28,641.97	\$23,466.18	\$20,382.70	\$18,282.54
1803	\$45,069.39	\$36,924.80	\$32,074.17	\$28,767.63
1901	\$19,269.00	\$16,518.53	\$14,561.32	\$14,347.69
1902	\$35,009.99	\$30,011.70	\$26,456.98	\$26,067.43
1903	\$57,623.23	\$49,396.95	\$43,545.72	\$42,906.40
2001	\$14,490.63	\$11,878.39	\$10,904.49	\$9,872.48
2002	\$19,001.97	\$15,576.05	\$14,300.56	\$12,944.96
2003	\$23,756.78	\$19,473.21	\$17,877.27	\$16,183.95
2004	\$30,492.37	\$24,994.57	\$22,946.25	\$20,772.26
2101	\$26,544.95	\$26,544.95	\$23,657.82	\$21,697.46
5001				\$2,489.72
5101				\$10,657.88
5102				\$26,084.70
5103				\$12,569.54
5104				\$33,300.96

Update to Payments for High-Cost Outliers

CMS estimates that IRF outlier payments as a percentage of total estimated payments will be approximately 2.7 percent in FY 2016. Therefore, CMS will update the outlier threshold amount from \$8,658 for FY 2016 to **\$7,984** for FY 2017 to maintain estimated outlier payments at approximately 3.0 percent of total estimated aggregate IRF payments for FY 2017.

Comment

Once again, CMS is underpaying outlier services.

Revisions and Updates to the IRF Quality Reporting Program:

In the FY 2017 proposed IRF rule, CMS proposed to adopt for the IRF QRP the following items:

- Discharge to Community – Post-Acute Care (PAC) IRF QRP (claims-based);
- Medicare Spending Per Beneficiary (MSPB) – Post-Acute Care (PAC) IRF QRP (claims-based);
- Potentially Preventable 30 Day Post-Discharge Readmission Measure for IRFs (claims-based);
- Potentially Preventable Within Stay Readmission Measure for IRFs (claims-based); and
- Drug Regimen Review Conducted with Follow-Up for Identified Issues (assessment-based).

CMS says it believes that the measures have been fully and robustly developed, and believes they are appropriate for implementation and should not be delayed. All will be added in FY 2017.

The rule's Tables 10 through 18 represent CMS' finalized data collection and data submission quarterly reporting periods, as well as the quarterly review and correction periods and submission deadlines for the quality measure data submitted via the IRF-PAI and the CDC/NHSN affecting the FY 2018 and subsequent year payment determinations.

A history of the IRF QRP quality measures adopted for the FY 2014 payment determinations and subsequent years is presented in the table below.

Quality Measures Previously Finalized for and Currently Used in the IRF Quality Reporting Program

Measure Title	Final Rule	Data Collection Start Date	Annual Payment Determination: Initial and Subsequent APU Years
National Healthcare Safety (NHSN) Catheter-Associated Urinary Tract Infection (CAUTI) Outcome Measure (NQF #0138)	Adopted an application of the measure in FY 2012 IRF PPS Final Rule (76 FR 47874 through 47886)	October 1, 2012	FY 2014 and subsequent years
	Adopted the NQF- endorsed version and expanded measure (with standardized infection ratio) in CY 2013 OPPS/ASC Final Rule (77 FR 68504 through 68505)	January 1, 2013	FY 2015 and subsequent years
Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678)	Adopted application of measure in FY 2012 IRF PPS final rule (76 FR 47876 through 47878)	October 1, 2012	FY 2014 and subsequent years
	Adopted a non-risk- adjusted application of the NQF- endorsed version in CY 2013 OPPS/ASC Final Rule (77 FR 68500 through 68507)	January 1, 2013	FY 2015 and subsequent years
	Adopted the risk adjusted, NQF-endorsed version in FY 2014 IRF PPS Final Rule (78 FR 47911 through 47912)	October 1, 2014	FY 2017 and subsequent years

Measure Title	Final Rule	Data Collection Start Date	Annual Payment Determination: Initial and Subsequent APU Years
	Adopted in the FY 2016 IRF PPS final rule (80 FR 47089 through 47096) to fulfill IMPACT Act requirements	October 1, 2015	FY 2018 and subsequent years
Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short Stay) (NQF #0680)	Adopted in FY 2014 IRF PPS final rule (78 FR 47906 through 47911)	October 1, 2014	FY 2017 and subsequent years
Influenza Vaccination Coverage among Healthcare Personnel (NQF #0431)	Adopted in FY 2014 IRF PPS final rule (78 FR 47905 through 47906)	October 1, 2014	FY 2016 and subsequent years
All-Cause Unplanned Readmission Measure for 30 Days Post Discharge from Inpatient Rehabilitation Facilities (NQF #2502)	Adopted in FY 2014 IRF PPS final rule (78 FR 47906 through 47910)	N/A	FY 2017 and subsequent years
	Adopted the NQF-endorsed version in FY 2016 IRF PPS final rule (80 FR 47087 through 47089)	N/A	FY 2018 and subsequent years
National Healthcare Safety Network (NHSN) Facility-Wide Inpatient Hospital- Onset Methicillin- Resistant Staphylococcus aureus (MRSA) Bacteremia Outcome Measure (NQF #1716)	Adopted in the FY 2015 IRF PPS final rule (79 FR 45911 through 45913)	January 1, 2015	FY 2017 and subsequent years
National Healthcare Safety Network (NHSN) Facility-Wide Inpatient Hospital- Onset Clostridium difficile Infection (CDI) Outcome Measure (NQF #1717)	Adopted in the FY 2015 IRF PPS final rule (79 FR 45913 through 45914)	January 1, 2015	FY 2017 and subsequent years
Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay) (NQF #0674)	Adopted an application of the measure in FY 2016 IRF PPS Final Rule (80 FR 47096 through 47100)	October 1, 2016	FY 2018 and subsequent years
Application of Percent of Long-Term Care Hospital Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631)	Adopted an application of the measure in the FY 2016 IRF PPS final rule (80 FR 47100 through 47111)	October 1, 2016	FY 2018 and subsequent years

Measure Title	Final Rule	Data Collection Start Date	Annual Payment Determination: Initial and Subsequent APU Years
IRF Functional Outcome Measure: Change in Self-Care for Medical Rehabilitation Patients (NQF #2633)*	Adopted in the FY 2016 IRF PPS final rule (80 FR 47111 through 47117)	October 1, 2016	FY 2018 and subsequent years
IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation (NQF #2634)*	Adopted in the FY 2016 IRF PPS final rule (80 FR 47117 through 47118)	October 1, 2016	FY 2018 and subsequent years
IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients (NQF #2635)	Adopted in the FY 2016 IRF PPS final rule (80 FR 47118 through 47119)	October 1, 2016	FY 2018 and subsequent years
IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients (NQF #2636)	Adopted in the FY 2016 IRF PPS final rule (80 FR 47119 through 47120)	October 1, 2016	FY 2018 and subsequent years

Final Comment

Approximately 65 percent of the rule consumes quality issues. The entire concept of trying to understand and report this subject is becoming more and more complex. It cannot be ignored. There is much more presented in the rule than shown above and requires in-depth analysis.