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

July 31, 2017

CMS Finalizes Inpatient Rehabilitation Facility FY 2018 PPS Update



The Centers for Medicare and Medicaid Services (CMS) have published a final rule to update the payment rates for inpatient rehabilitation facilities (IRFs) for Federal fiscal year (FY) 2018.

The rule also (1) revises the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) diagnosis codes that are used to determine presumptive compliance under the "60 percent rule," (2) removes the 25 percent payment penalty for inpatient rehabilitation facility patient assessment instrument (IRF-PAI) late transmissions, (3) removes the voluntary swallowing status item (Item 27) from the IRF-PAI, (4) summarizes comments regarding the criteria used to classify facilities for payment under the IRF PPS, (5) provides for a sub-regulatory process for certain annual updates to the presumptive methodology diagnosis code lists, (6) adopts the use of height/weight items on the IRF-PAI to determine patient body mass index (BMI)

greater than 50 for cases of single-joint replacement under the presumptive methodology, and (7) revises and updates measures and reporting requirements under the IRF quality reporting program (QRP).

The 241-page document is scheduled for publication in the ***Federal Register*** on August 3rd. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-16291.pdf>. Of course, this link will change upon publication. The August 3rd ***Federal Register*** site will be: <https://www.federalregister.gov/documents/2017/08/03/2017-16291/medicare-program-inpatient-rehabilitation-facility-prospective-payment-system-for-federal-fiscal>.

Comment

CMS says that "the overall economic impact of this final rule is an estimated \$75 million in increased payments from the Federal government to IRFs during FY 2018." CMS also says that "the total reduction in costs in FY 2018 for IRFs for the new quality reporting requirements is estimated to be \$2.6 million."

CMS notes that it received 76 timely responses from the public.

Changes to IRF payment policies and rates:

Update to the payment rates under the IRF PPS.

For FY 2018, CMS is finalizing an update to the IRF PPS payments to reflect a 1.0 percent increase factor, mandated by the ***Medicare Access and CHIP Reauthorization Act of 2015*** (MACRA). An

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additional approximate 0.1 percent decrease to aggregate payments due to updating the outlier threshold results in an overall estimated update for FY 2018 of approximately 0.9 percent (or \$75 million), relative to payments in FY 2017.

No changes to the facility-level adjustments

For FY 2018, CMS will continue to maintain the facility-level adjustment factors at current levels.

Rural Adjustment Transition

FY 2018 is the third and final year of the phase-out of the 14.9 percent rural adjustment for the 20 IRF providers that were designated as rural in FY 2015 and changed to urban under revised Office of Management and Budget (OMB) delineations in FY 2016. Thus, CMS will no longer apply a rural adjustment for these IRFs.

FY 2018 Update to the Case-Mix Group (CMG) Relative Weights and Average Length of Stay Values

The table below contains the CMGs, the comorbidity tiers, the corresponding relative weights, and the average length of stay values for each CMG and tier for FY 2018. 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	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0101	Stroke M>51.05	0.8505	0.7289	0.6734	0.6435	9	9	9	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0680	0.9152	0.8455	0.8080	11	12	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.2076	1.0349	0.9560	0.9136	13	13	12	11
0104	Stroke M>38.85 and M<44.45	1.2954	1.1102	1.0256	0.9800	13	13	12	12
0105	Stroke M>34.25 and M<38.85	1.5073	1.2918	1.1933	1.1404	14	14	14	13
0106	Stroke M>30.05 and M<34.25	1.6695	1.4307	1.3217	1.2630	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8640	1.5975	1.4758	1.4103	17	17	16	16
0108	Stroke M<26.15 and A>84.5	2.3689	2.0301	1.8754	1.7922	21	23	21	20

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CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.1373	1.8317	1.6921	1.6170	19	19	19	19
0110	Stroke M<22.35 and A<84.5	2.7867	2.3882	2.2063	2.1083	27	26	23	24
0201	Traumatic brain injury M>53.35 and C>23.5	0.8537	0.6885	0.6269	0.5749	9	9	9	7
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.0944	0.8827	0.8037	0.7369	12	11	10	9
0203	Traumatic brain injury M>44.25 and C<23.5	1.2638	1.0192	0.9280	0.8510	12	13	11	11
0204	Traumatic brain injury M>40.65 and M<44.25	1.3883	1.1197	1.0195	0.9348	11	12	12	12
0205	Traumatic brain injury M>28.75 and M<40.65	1.6317	1.3160	1.1982	1.0987	15	15	14	13
0206	Traumatic brain injury M>22.05 and M<28.75	1.9691	1.5881	1.4460	1.3259	18	18	16	15
0207	Traumatic brain injury M<22.05	2.5114	2.0255	1.8443	1.6911	28	23	19	18
0301	Non- traumatic brain injury M>41.05	1.1608	0.9425	0.8574	0.8103	10	11	10	10
0302	Non- traumatic brain injury M>35.05 and M<41.05	1.4099	1.1447	1.0414	0.9842	13	13	12	12
0303	Non- traumatic brain injury M>26.15 and M<35.05	1.6565	1.3450	1.2236	1.1563	15	15	13	13
0304	Non- traumatic brain injury M<26.15	2.1517	1.7470	1.5893	1.5020	21	19	17	16

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0401	Traumatic spinal cord Injury M>48.45	0.9016	0.8476	0.7569	0.6842	12	12	10	9
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.2903	1.2130	1.0831	0.9792	13	14	13	12
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.0938	1.9683	1.7576	1.5889	22	22	19	18
0404	Traumatic spinal cord injury M<16.05 and A>63.5	3.6744	3.4541	3.0844	2.7884	42	36	31	32
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.3965	3.1929	2.8512	2.5776	33	35	31	27
0501	Non- traumatic spinal cord injury M>51.35	0.9313	0.7002	0.6637	0.6090	9	9	9	7
0502	Non- traumatic spinal cord injury M>40.15 and M<51.35	1.2192	0.9167	0.8689	0.7973	12	10	10	10
0503	Non- traumatic spinal cord injury M>31.25 and M<40.15	1.5288	1.1495	1.0895	0.9998	16	13	12	12
0504	Non- traumatic spinal cord injury M>29.25 and M<31.25	1.7362	1.3054	1.2373	1.1354	17	15	14	13
0505	Non- traumatic spinal cord injury M>23.75 and M<29.25	1.9897	1.4960	1.4179	1.3011	18	17	16	15
0506	Non- traumatic spinal cord injury M<23.75	2.7549	2.0714	1.9632	1.8015	26	23	21	20
0601	Neurological M>47.75	1.0661	0.8148	0.7562	0.6879	10	9	9	8
0602	Neurological M>37.35 and M<47.75	1.3922	1.0640	0.9876	0.8984	12	12	11	11
0603	Neurological M>25.85 and M<37.35	1.7073	1.3049	1.2111	1.1017	14	14	13	13

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0604	Neurological M<25.85	2.2213	1.6977	1.5757	1.4334	19	18	16	16
0701	Fracture of lower extremity M>42.15	1.0372	0.8298	0.7877	0.7175	12	11	10	9
0702	Fracture of lower extremity M>34.15 and M<42.15	1.3168	1.0534	1.0001	0.9109	12	12	11	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5903	1.2722	1.2078	1.1001	15	14	14	13
0704	Fracture of lower extremity M<28.15	2.0160	1.6128	1.5311	1.3946	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.8710	0.6418	0.6113	0.5644	8	8	7	7
0802	Replacement of lower extremity joint M>37.05 and M<49.55	1.1197	0.8249	0.7858	0.7255	11	10	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.4515	1.0694	1.0187	0.9406	13	13	12	11
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.3342	0.9830	0.9363	0.8645	12	11	11	10
0805	Replacement of lower extremity joint M>22.05 and M<28.65	1.5821	1.1657	1.1103	1.0252	14	13	12	12
0806	Replacement of lower extremity joint M<22.05	1.9159	1.4116	1.3445	1.2415	16	16	15	14
0901	Other orthopedic M>44.75	1.0053	0.8078	0.7245	0.6736	10	10	9	8

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0902	Other orthopedic M>34.35 and M<44.75	1.3219	1.0621	0.9526	0.8858	12	12	11	10
0903	Other orthopedic M>24.15 and M<34.35	1.6223	1.3035	1.1691	1.0870	15	14	13	13
0904	Other orthopedic M<24.15	2.0319	1.6327	1.4643	1.3615	18	18	16	15
1001	Amputation, lower extremity M>47.65	1.0461	0.9022	0.7937	0.7245	10	11	10	9
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3734	1.1844	1.0421	0.9512	13	13	12	11
1003	Amputation, lower extremity M<36.25	2.0115	1.7348	1.5262	1.3931	18	18	17	16
1101	Amputation, non-lower extremity M>36.35	1.3160	1.1741	1.0154	0.8714	12	14	12	10
1102	Amputation, non-lower extremity M<36.35	1.9052	1.6998	1.4701	1.2615	17	23	15	14
1201	Osteoarthritis M>37.65	1.2296	0.9239	0.8627	0.7939	9	11	10	10
1202	Osteoarthritis M>30.75 and M<37.65	1.5807	1.1877	1.1090	1.0206	11	13	13	12
1203	Osteoarthritis M<30.75	1.9306	1.4506	1.3545	1.2466	12	15	15	14
1301	Rheumatoid, other arthritis M>36.35	1.2253	0.9248	0.8323	0.7983	10	10	10	9
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.6852	1.2720	1.1447	1.0980	16	14	12	13
1303	Rheumatoid, other arthritis M<26.15	2.1972	1.6584	1.4925	1.4315	18	18	16	16

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
1401	Cardiac M>48.85	0.9289	0.7480	0.6832	0.6204	10	8	8	8
1402	Cardiac M>38.55 and M<48.85	1.2231	0.9849	0.8997	0.8169	12	11	10	10
1403	Cardiac M>31.15 and M<38.55	1.4635	1.1785	1.0764	0.9774	13	13	12	11
1404	Cardiac M<31.15	1.8540	1.4929	1.3637	1.2382	17	16	15	14
1501	Pulmonary M>49.25	1.0171	0.8497	0.7768	0.7449	10	9	9	8
1502	Pulmonary M>39.05 and M<49.25	1.3119	1.0959	1.0020	0.9607	11	12	11	10
1503	Pulmonary M>29.15 and M<39.05	1.5971	1.3341	1.2197	1.1696	14	14	12	12
1504	Pulmonary M<29.15	1.9783	1.6526	1.5109	1.4487	20	16	15	14
1601	Pain syndrome M>37.15	1.1488	0.9072	0.8293	0.7609	10	11	10	9
1602	Pain syndrome M>26.75 and M<37.15	1.5294	1.2078	1.1040	1.0130	12	14	13	12
1603	Pain syndrome M<26.75	1.9062	1.5054	1.3759	1.2625	14	16	15	14
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.1972	0.9344	0.8406	0.7717	10	10	10	9
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.5294	1.1936	1.0739	0.9858	14	14	12	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.8066	1.4100	1.2686	1.1645	17	15	14	14

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.2842	1.7827	1.6039	1.4723	21	19	17	17
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.2772	0.9992	0.8861	0.8123	12	11	10	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.8275	1.4298	1.2679	1.1624	17	16	14	14
1803	Major multiple trauma with brain or spinal cord injury M<23.05	2.8872	2.2589	2.0031	1.8364	33	26	21	20
1901	Guillian Barre M>35.95	1.2930	1.0758	0.9919	0.9474	13	12	12	11
1902	Guillian Barre M>18.05 and M<35.95	2.2297	1.8550	1.7103	1.6336	23	20	21	18
1903	Guillian Barre M<18.05	3.7343	3.1069	2.8646	2.7361	41	32	28	30
2001	Miscellaneous M>49.15	0.9444	0.7644	0.6979	0.6338	9	9	8	8
2002	Miscellaneous M>38.75 and M<49.15	1.2403	1.0039	0.9167	0.8325	11	11	10	10
2003	Miscellaneous M>27.85 and M<38.75	1.5431	1.2490	1.1404	1.0357	14	14	13	12
2004	Miscellaneous M<27.85	1.9716	1.5958	1.4571	1.3233	18	17	15	15
2101	Burns M>0	1.8289	1.8238	1.3855	1.2884	29	17	15	14
5001	Short-stay cases, length of stay is 3 days or fewer				0.1565				2
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.6581				7

CMG	CMG Description (M= motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
5102	Expired, orthopedic, length of stay is 14 days or more				1.6393				18
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.8132				9
5104	Expired, not orthopedic, length of stay is 16 days or more				2.0334				21

CMS says the largest decrease in a CMG relative weight value affecting the largest number of IRF cases would be a 3.6 percent decrease in the CMG relative weight for CMG 0506—Nontraumatic spinal cord injury, with a motor score less than 23.75--in tier 3.

FY 2018 IRF PPS Payment Update

As noted above, CMS is applying an increase factor of 1.0 percent to update the IRF prospective payment rates for FY 2018. Further, IRFs that fail to provide quality measures will receive a 2.0 reduction.

Absent the MACRA mandate, the FY 2018 payment increase factor would have been 1.25 percent, reflecting a FY 2018 estimated market basket update of 2.6 percent with an estimated productivity adjustment of 0.6 percentage point, and a 0.75 percentage point reduction as required by the **Affordable Care Act**.

Labor-Related Share for FY 2018

CMS will set the total labor-related share for FY 2018 at 70.7 percent – as proposed.

Area Wage Adjustment

The wage index applicable to FY 2018 is available on the CMS website 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 2018 Standard Payment Conversion Factor

CMS has calculated the FY 2018 standard conversion factor as shown in the table below:

Explanation for Adjustment	Calculations
Standard Payment Conversion Factor for FY 2017	\$15,708
Market Basket Increase Factor for FY 2018 (1.0 percent), as required by MACRA	x 1.0100
Budget Neutrality Factor for the Wage Index and Labor-Related Share	x 1.0007
Budget Neutrality Factor for the Revisions to the CMG Relative Weights	x 0.9976
FY 2018 Standard Payment Conversion Factor	= \$15,838

The CMG relative weights (shown above) are multiplied the FY 2018 standard payment conversion factor (\$15,838), resulting in unadjusted IRF prospective payment rates for FY 2018 as shown below.

FY 2018 Payment Rates

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0101	\$ 13,470.22	\$ 11,544.32	\$ 10,665.31	\$ 10,191.75
0102	\$ 16,914.98	\$ 14,494.94	\$ 13,391.03	\$ 12,797.10
0103	\$ 19,125.97	\$ 16,390.75	\$ 15,141.13	\$ 14,469.60
0104	\$ 20,516.55	\$ 17,583.35	\$ 16,243.45	\$ 15,521.24
0105	\$ 23,872.62	\$ 20,459.53	\$ 18,899.49	\$ 18,061.66
0106	\$ 26,441.54	\$ 22,659.43	\$ 20,933.08	\$ 20,003.39
0107	\$ 29,522.03	\$ 25,301.21	\$ 23,373.72	\$ 22,336.33
0108	\$ 37,518.64	\$ 32,152.72	\$ 29,702.59	\$ 28,384.86
0109	\$ 33,850.56	\$ 29,010.46	\$ 26,799.48	\$ 25,610.05
0110	\$ 44,135.75	\$ 37,824.31	\$ 34,943.38	\$ 33,391.26
0201	\$ 13,520.90	\$ 10,904.46	\$ 9,928.84	\$ 9,105.27
0202	\$ 17,333.11	\$ 13,980.20	\$ 12,729.00	\$ 11,671.02
0203	\$ 20,016.06	\$ 16,142.09	\$ 14,697.66	\$ 13,478.14
0204	\$ 21,987.90	\$ 17,733.81	\$ 16,146.84	\$ 14,805.36
0205	\$ 25,842.86	\$ 20,842.81	\$ 18,977.09	\$ 17,401.21
0206	\$ 31,186.61	\$ 25,152.33	\$ 22,901.75	\$ 20,999.60
0207	\$ 39,775.55	\$ 32,079.87	\$ 29,210.02	\$ 26,783.64
0301	\$ 18,384.75	\$ 14,927.32	\$ 13,579.50	\$ 12,833.53
0302	\$ 22,330.00	\$ 18,129.76	\$ 16,493.69	\$ 15,587.76
0303	\$ 26,235.65	\$ 21,302.11	\$ 19,379.38	\$ 18,313.48
0304	\$ 34,078.62	\$ 27,668.99	\$ 25,171.33	\$ 23,788.68
0401	\$ 14,279.54	\$ 13,424.29	\$ 11,987.78	\$ 10,836.36
0402	\$ 20,435.77	\$ 19,211.49	\$ 17,154.14	\$ 15,508.57
0403	\$ 33,161.60	\$ 31,173.94	\$ 27,836.87	\$ 25,165.00
0404	\$ 58,195.15	\$ 54,706.04	\$ 48,850.73	\$ 44,162.68
0405	\$ 53,793.77	\$ 50,569.15	\$ 45,157.31	\$ 40,824.03
0501	\$ 14,749.93	\$ 11,089.77	\$ 10,511.68	\$ 9,645.34
0502	\$ 19,309.69	\$ 14,518.69	\$ 13,761.64	\$ 12,627.64
0503	\$ 24,213.13	\$ 18,205.78	\$ 17,255.50	\$ 15,834.83
0504	\$ 27,497.94	\$ 20,674.93	\$ 19,596.36	\$ 17,982.47
0505	\$ 31,512.87	\$ 23,693.65	\$ 22,456.70	\$ 20,606.82
0506	\$ 43,632.11	\$ 32,806.83	\$ 31,093.16	\$ 28,532.16
0601	\$ 16,884.89	\$ 12,904.80	\$ 11,976.70	\$ 10,894.96
0602	\$ 22,049.66	\$ 16,851.63	\$ 15,641.61	\$ 14,228.86
0603	\$ 27,040.22	\$ 20,667.01	\$ 19,181.40	\$ 17,448.72
0604	\$ 35,180.95	\$ 26,888.17	\$ 24,955.94	\$ 22,702.19
0701	\$ 16,427.17	\$ 13,142.37	\$ 12,475.59	\$ 11,363.77
0702	\$ 20,855.48	\$ 16,683.75	\$ 15,839.58	\$ 14,426.83
0703	\$ 25,187.17	\$ 20,149.10	\$ 19,129.14	\$ 17,423.38

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0704	\$ 31,929.41	\$ 25,543.53	\$ 24,249.56	\$ 22,087.67
0801	\$ 13,794.90	\$ 10,164.83	\$ 9,681.77	\$ 8,938.97
0802	\$ 17,733.81	\$ 13,064.77	\$ 12,445.50	\$ 11,490.47
0803	\$ 22,988.86	\$ 16,937.16	\$ 16,134.17	\$ 14,897.22
0804	\$ 21,131.06	\$ 15,568.75	\$ 14,829.12	\$ 13,691.95
0805	\$ 25,057.30	\$ 18,462.36	\$ 17,584.93	\$ 16,237.12
0806	\$ 30,344.02	\$ 22,356.92	\$ 21,294.19	\$ 19,662.88
0901	\$ 15,921.94	\$ 12,793.94	\$ 11,474.63	\$ 10,668.48
0902	\$ 20,936.25	\$ 16,821.54	\$ 15,087.28	\$ 14,029.30
0903	\$ 25,693.99	\$ 20,644.83	\$ 18,516.21	\$ 17,215.91
0904	\$ 32,181.23	\$ 25,858.70	\$ 23,191.58	\$ 21,563.44
1001	\$ 16,568.13	\$ 14,289.04	\$ 12,570.62	\$ 11,474.63
1002	\$ 21,751.91	\$ 18,758.53	\$ 16,504.78	\$ 15,065.11
1003	\$ 31,858.14	\$ 27,475.76	\$ 24,171.96	\$ 22,063.92
1101	\$ 20,842.81	\$ 18,595.40	\$ 16,081.91	\$ 13,801.23
1102	\$ 30,174.56	\$ 26,921.43	\$ 23,283.44	\$ 19,979.64
1201	\$ 19,474.40	\$ 14,632.73	\$ 13,663.44	\$ 12,573.79
1202	\$ 25,035.13	\$ 18,810.79	\$ 17,564.34	\$ 16,164.26
1203	\$ 30,576.84	\$ 22,974.60	\$ 21,452.57	\$ 19,743.65
1301	\$ 19,406.30	\$ 14,646.98	\$ 13,181.97	\$ 12,643.48
1302	\$ 26,690.20	\$ 20,145.94	\$ 18,129.76	\$ 17,390.12
1303	\$ 34,799.25	\$ 26,265.74	\$ 23,638.22	\$ 22,672.10
1401	\$ 14,711.92	\$ 11,846.82	\$ 10,820.52	\$ 9,825.90
1402	\$ 19,371.46	\$ 15,598.85	\$ 14,249.45	\$ 12,938.06
1403	\$ 23,178.91	\$ 18,665.08	\$ 17,048.02	\$ 15,480.06
1404	\$ 29,363.65	\$ 23,644.55	\$ 21,598.28	\$ 19,610.61
1501	\$ 16,108.83	\$ 13,457.55	\$ 12,302.96	\$ 11,797.73
1502	\$ 20,777.87	\$ 17,356.86	\$ 15,869.68	\$ 15,215.57
1503	\$ 25,294.87	\$ 21,129.48	\$ 19,317.61	\$ 18,524.12
1504	\$ 31,332.32	\$ 26,173.88	\$ 23,929.63	\$ 22,944.51
1601	\$ 18,194.69	\$ 14,368.23	\$ 13,134.45	\$ 12,051.13
1602	\$ 24,222.64	\$ 19,129.14	\$ 17,485.15	\$ 16,043.89
1603	\$ 30,190.40	\$ 23,842.53	\$ 21,791.50	\$ 19,995.48
1701	\$ 18,961.25	\$ 14,799.03	\$ 13,313.42	\$ 12,222.18
1702	\$ 24,222.64	\$ 18,904.24	\$ 17,008.43	\$ 15,613.10
1703	\$ 28,612.93	\$ 22,331.58	\$ 20,092.09	\$ 18,443.35
1704	\$ 36,177.16	\$ 28,234.40	\$ 25,402.57	\$ 23,318.29
1801	\$ 20,228.29	\$ 15,825.33	\$ 14,034.05	\$ 12,865.21
1802	\$ 28,943.95	\$ 22,645.17	\$ 20,081.00	\$ 18,410.09
1803	\$ 45,727.47	\$ 35,776.46	\$ 31,725.10	\$ 29,084.90
1901	\$ 20,478.53	\$ 17,038.52	\$ 15,709.71	\$ 15,004.92
1902	\$ 35,313.99	\$ 29,379.49	\$ 27,087.73	\$ 25,872.96
1903	\$ 59,143.84	\$ 49,207.08	\$ 45,369.53	\$ 43,334.35

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
2001	\$ 14,957.41	\$ 12,106.57	\$ 11,053.34	\$ 10,038.12
2002	\$ 19,643.87	\$ 15,899.77	\$ 14,518.69	\$ 13,185.14
2003	\$ 24,439.62	\$ 19,781.66	\$ 18,061.66	\$ 16,403.42
2004	\$ 31,226.20	\$ 25,274.28	\$ 23,077.55	\$ 20,958.43
2101	\$ 28,966.12	\$ 28,885.34	\$ 21,943.55	\$ 20,405.68
5001				\$ 2,478.65
5101				\$ 10,422.99
5102				\$ 25,963.23
5103				\$ 12,879.46
5104				\$ 32,204.99

Update to Payments for High-Cost Outliers Under the IRF PPS

CMS will update the outlier threshold amount from \$7,984 for FY 2017 to **\$8,679 for FY 2018** to account for the increases in IRF PPS payments and estimated costs and to maintain estimated outlier payments at approximately 3 percent of total estimated aggregate IRF payments for FY 2018. CMS notes it received only 4 public comments on this item.

Removal of 25 Percent Payment Penalty for Late Transmissions of the IRF-PAI

Under the IRF PPS, CMS currently applies a 25 percent payment penalty to IRF patient assessment instrument (IRF-PAI) submissions that are not timely transmitted to the data repository. CMS is eliminating this 25 percent payment penalty.

Revision to the IRF-PAI to Remove the Voluntary Item 27 (Swallowing Status)

CMS says it no longer believes that voluntary item 27 is necessary, and in the interest of reducing burden on providers, the agency is removing this item from the IRF-PAI for all IRF discharges beginning on or after October 1, 2017.

Refinements to the 60 Percent Rule Presumptive Methodology

CMS is finalizing its proposed revisions involving Traumatic Brain Injury and Hip Fracture Codes codes for Impairment Group Codes (IGCs) 0002.21, 0002.22, 0008.11, and 0008.12, with the additional removal of the following ICD-10-CM codes from the list of IGCs that meet presumptive compliance criteria (allowing these codes to count toward the presumptive methodology):

- S02.101B—Fracture of base of skull, right side, initial encounter for open fracture;
- S02.102B—Fracture of base of skull, left side, initial encounter for open fracture;
- S02.101A—Fracture of base of skull, right side, initial encounter for closed fracture; and
- S02.102A—Fracture of base of skull, left side, initial encounter for closed fracture..

In addition, CMS is finalizing its proposals to retain S06.9X9A—Unspecified intracranial injury with loss of consciousness of unspecified duration, initial encounter as an excluded code under IGC 0002.22—Brain Dysfunction, Traumatic, Closed Injury. CMS is also finalizing its proposal to retain the diagnosis code exclusions with the code label, "fracture of unspecified part of neck of unspecified femur", specifically the 3 code exclusions for S72.009-, Fracture of unspecified park of neck of unspecified femur.

These changes are effective for IRF discharges occurring on and after October 1, 2017. The revised IGC list is available for download from the CMS website at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/Downloads/ICD-10-CM-DataFiles.zip>

Comment

There is much detail about codes in the final rule. The material is well written, but it is lengthy.

Use of IRF-PAI Data to Determine Patient Body Mass Index (BMI) Greater Than 50 for Cases of Lower Extremity Single Joint Replacement

CMS is finalizing its proposal to use the information recorded for Item 25A-Height and Item 26A-Weight on the IRF-PAI to calculate BMI greater than 50 for cases of lower extremity single joint replacement and to use that data to determine and presumptively count lower extremity single joint replacement cases toward an IRF’s presumptive compliance percentage, effective for all IRF discharges occurring on and after October 1, 2017.

Changes to the IRF Quality Reporting Program (QRP)

The IRF QRP currently has 18 currently adopted measures, as outlined in the table below.

Quality Measures Currently Adopted for the IRF QRP

Short Name	Measure Name & Data Source
IRF-PAI	
Pressure Ulcers	Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678)
Patient Influenza Vaccine	Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short Stay) (NQF #0680)
Application of Falls	Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay) (NQF #0674)*
Application of Functional Assessment	Application of Percent of LTCH Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631)*
Change in Self-Care	IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients (NQF #2633)**
Change in Mobility	IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation Patients (NQF #2634)**
Discharge Self-Care Score	IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients (NQF #2635)**
Discharge Mobility Score	IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients (NQF #2636)**
DRR	Drug Regimen Review Conducted with Follow-Up for Identified Issues–PAC IRF QRP*
NHSN	
CAUTI	National Healthcare Safety Network (NHSN) Catheter-Associated Urinary Tract Infection (CAUTI) Outcome Measure (NQF #0138)
MRSA	NHSN Facility-Wide Inpatient Hospital-Onset Methicillin-Resistant <u>Staphylococcus aureus</u> (MRSA) Bacteremia Outcome Measure (NQF #1716)
CDI	NHSN Facility-wide Inpatient Hospital-Onset <u>Clostridium difficile</u> Infection (CDI) Outcome Measure (NQF #1717)
HCP Influenza Vaccine	Influenza Vaccination Coverage among Healthcare Personnel (NQF #0431)

Short Name	Measure Name & Data Source
Claims-based	
All-Cause Readmissions	All-Cause Unplanned Readmission Measure for 30 Days Post Discharge from IRFs (NQF #2502)
MSPB	Medicare Spending per Beneficiary (MSPB)–PAC IRF QRP*
DTC	Discharge to Community–PAC IRF QRP*
Potentially Preventable Readmissions (PPR) 30 day	Potentially Preventable 30-Day Post-Discharge Readmission Measure for IRF QRP*
PPR Within Stay	Potentially Preventable Within Stay Readmission Measure for IRFs*

*Not currently NQF-endorsed for the IRF setting

**In satisfaction of section 1899B(c)(1) of the Act quality measure domain: functional status, cognitive function, and changes in function and cognitive function domain.

Effective October 1, 2018 (FY 2019), CMS is finalizing the replacement of the current pressure ulcer measure with an updated version of that measure.

CMS is removing the All-Cause Unplanned Readmission Measure for 30 Days Post-Discharge from IRFs (NQF #2502) beginning with the FY 2019 IRF QRP.

CMS is also finalizing the public display of six additional quality measures on the IRF Compare website in calendar year 2018.

For the FY 2020 IRF QRP, CMS is finalizing that the data IRFs submit on the measures 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) and Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury meet the definition of standardized patient assessment data. However, in response to the comments received for the FY 2020 program year, CMS is not finalizing its proposed additional standardized data elements.

Lastly, CMS is finalizing its proposals with respect to the applicability of current procedural requirements, such as the mechanism for reporting and reporting schedules, to the standardized patient assessment data.

Comment

This rule is well written and easy to follow.

CMS devotes some 100 pages to the quality items representing a half of the entire rule. As said in previous analyses of payment issues, the subject of quality is becoming extremely paramount and requires both careful and thoughtful attention.