

# Issue Brief

FEDERAL ISSUE BRIEF • August 1, 2018

## CMS Issues Final Inpatient Rehabilitation Facility FY 2019 PPS Update

The Centers for Medicare & Medicaid Services published a final rule to update the payment rates for inpatient rehabilitation facilities for Federal fiscal year 2019 (that is, for discharges occurring on or after Oct. 1, 2018, and on or before Sept. 30, 2019).

The 212-page document is scheduled for publication in the *Federal Register* on Monday, Aug. 6. A copy is available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-16517.pdf>. This link will change upon publication.

### COMMENT

CMS says that the overall economic impact of this final rule results in an estimated \$105 million increase in FY 2019 IRF PPS payments.

Further, CMS estimates a \$10.5 million reduction in costs in FY 2020 as a result of the removal of the FIM™ instrument and associated Function Modifiers from the IRF-PAI. CMS says a total reduction of \$20.5 million in costs in FY 2019 results from the removal of certain IRF coverage requirements. Finally, CMS says a reduction of \$2.5 million in FY 2019 results from new quality reporting requirements.

This is a well-developed and organized rule. CMS has provided clear final decision sections.

Page numbers in red pertain to the material in the display copy.

### FY 2019 MARKET BASKET UPDATE AND PRODUCTIVITY ADJUSTMENT (PAGE 42)

CMS is finalizing that the market basket increase factor for FY 2019 will be 2.9 percent. This amount is reduced further by mandates of the **Affordable Care Act**; that is, reductions for productivity estimated at -0.8 percent and another reduction amount of -0.75 percent. Therefore, the final increase will be 1.35 percent.

### LABOR-RELATED SHARE FOR FY 2019 (PAGE 45)

The FY 2019 labor-related share is 70.5 percent. By comparison, the current FY 2018 labor-related share is 70.7 percent.

### WAGE ADJUSTMENT FOR FY 2019 (PAGE 47)

For FY 2019, CMS proposes to continue using OMB delineations to calculate the area wage indexes.

The wage index applicable to FY 2019 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.

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continued

## FACILITY-LEVEL ADJUSTMENT FACTORS (PAGE 38)

CMS currently adjust the prospective payment amount associated with a Case-Mix Group to account for facility-level characteristics, such as an IRF's LIP, teaching status and location in a rural area, if applicable, as described in §412.624(e). CMS is not making any changes to these factors for FY 2019.

## FY 2019 UPDATE TO THE CASE-MIX GROUP RELATIVE WEIGHTS AND AVERAGE LENGTH OF STAY VALUES (PAGE 26)

The table below contains the Case-Mix Groups, the comorbidity tiers, the corresponding relative weights, and the average length of stay values for each CMG and tier for FY 2019. 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	0.8465	0.7365	0.6747	0.6451	8	11	9	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0706	0.9315	0.8533	0.8159	11	12	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.2391	1.0781	0.9876	0.9443	12	13	11	12
0104	Stroke M>38.85 and M<44.45	1.2938	1.1257	1.0312	0.9860	12	13	12	12
0105	Stroke M>34.25 and M<38.85	1.4871	1.2938	1.1852	1.1333	14	14	14	13
0106	Stroke M>30.05 and M<34.25	1.6628	1.4467	1.3253	1.2673	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8653	1.6229	1.4867	1.4216	18	18	16	16
0108	Stroke M<26.15 and A>84.5	2.3056	2.0060	1.8376	1.7572	22	21	20	20
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.0857	1.8147	1.6624	1.5896	19	19	18	18

**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
0110	Stroke M<22.35 and A<84.5	2.7655	2.4060	2.2041	2.1076	26	26	23	23
0201	Traumatic brain injury M>53.35 and C>23.5	0.8235	0.6628	0.5922	0.5527	9	9	8	7
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.1508	0.9263	0.8275	0.7724	10	11	10	10
0203	Traumatic brain injury M>44.25 and C<23.5	1.2723	1.0240	0.9149	0.8539	13	13	11	10
0204	Traumatic brain injury M>40.65 and M<44.25	1.3841	1.1141	0.9953	0.9290	13	13	11	11
0205	Traumatic brain injury M>28.75 and M<40.65	1.6330	1.3143	1.1743	1.0960	14	15	13	13
0206	Traumatic brain injury M>22.05 and M<28.75	1.9661	1.5825	1.4139	1.3196	18	18	15	15
0207	Traumatic brain injury M<22.05	2.4863	2.0012	1.7879	1.6687	30	22	19	18
0301	Nontraumatic brain injury M>41.05	1.1727	0.9483	0.8703	0.8135	11	11	10	10
0302	Nontraumatic brain injury M>35.05 and M<41.05	1.4347	1.1603	1.0648	0.9953	12	13	12	12
0303	Nontraumatic brain injury M>26.15 and M<35.05	1.6572	1.3402	1.2300	1.1496	15	14	13	13
0304	Nontraumatic brain injury M<26.15	2.1203	1.7147	1.5737	1.4709	20	19	16	16



continued

**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
0401	Traumatic spinal cord injury M>48.45	1.0040	0.8097	0.7490	0.6855	10	10	9	9
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.4873	1.1996	1.1096	1.0155	14	13	13	12
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.3688	1.9105	1.7673	1.6175	25	22	19	18
0404	Traumatic spinal cord injury M<16.05 and A>63.5	4.0377	3.2566	3.0125	2.7571	45	36	31	30
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.6175	2.9177	2.6989	2.4701	26	35	29	26
0501	Nontraumatic spinal cord injury M>51.35	0.9171	0.7145	0.6605	0.6070	9	10	8	8
0502	Nontraumatic spinal cord injury M>40.15 and M<51.35	1.2182	0.9491	0.8774	0.8063	11	11	10	10
0503	Nontraumatic spinal cord injury M>31.25 and M<40.15	1.5156	1.1809	1.0916	1.0031	14	13	12	12
0504	Nontraumatic spinal cord injury M>29.25 and M<31.25	1.7426	1.3577	1.2551	1.1533	16	14	14	13
0505	Nontraumatic spinal cord injury M>23.75 and M<29.25	1.9957	1.5550	1.4374	1.3209	18	17	16	15

## 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
0506	Nontraumatic spinal cord injury M<23.75	2.6996	2.1034	1.9443	1.7867	26	23	21	20
0601	Neurological M>47.75	1.0736	0.8242	0.7624	0.6948	9	9	9	8
0602	Neurological M>37.35 and M<47.75	1.3920	1.0686	0.9884	0.9008	12	12	11	10
0603	Neurological M>25.85 and M<37.35	1.7124	1.3146	1.2159	1.1082	14	14	13	13
0604	Neurological M<25.85	2.2148	1.7003	1.5727	1.4334	19	17	16	16
0701	Fracture of lower extremity M>42.15	1.0280	0.8387	0.7948	0.7171	10	10	9	9
0702	Fracture of lower extremity M>34.15 and M<42.15	1.3083	1.0674	1.0115	0.9127	12	12	12	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5600	1.2728	1.2062	1.0883	14	14	14	13
0704	Fracture of lower extremity M<28.15	1.9907	1.6242	1.5392	1.3888	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.8391	0.6841	0.6185	0.5754	8	8	8	7
0802	Replacement of lower extremity joint M>37.05 and M<49.55	1.0766	0.8777	0.7936	0.7382	11	9	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.4123	1.1514	1.0410	0.9684	13	13	12	11

## 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
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.2727	1.0376	0.9381	0.8727	12	12	11	10
0805	Replacement of lower extremity joint M>22.05 and M<28.65	1.5169	1.2367	1.1181	1.0401	14	14	12	12
0806	Replacement of lower extremity joint M<22.05	1.8691	1.5238	1.3777	1.2816	17	17	15	14
0901	Other orthopedic M>44.75	1.0283	0.8073	0.7481	0.6894	11	10	9	8
0902	Other orthopedic M>34.35 and M<44.75	1.3030	1.0230	0.9479	0.8736	12	12	11	10
0903	Other orthopedic M>24.15 and M<34.35	1.6262	1.2768	1.1831	1.0903	14	14	13	12
0904	Other orthopedic M<24.15	2.0372	1.5995	1.4821	1.3659	17	17	16	15
1001	Amputation, lower extremity M>47.65	1.0941	0.9260	0.8226	0.7584	11	11	10	9
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3984	1.1835	1.0513	0.9693	13	13	12	12
1003	Amputation, lower extremity M<36.25	2.0247	1.7136	1.5222	1.4034	18	18	16	15
1101	Amputation, non-lower extremity M>36.35	1.3618	1.0044	1.0044	0.8832	12	11	11	11

## 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
		1102	Amputation, non-lower extremity M<36.35	1.9208	1.4167	1.4167	1.2458	17	15
1201	Osteoarthritis M>37.65	1.1125	0.9541	0.8710	0.7877	11	10	10	9
1202	Osteoarthritis M>30.75 and M<37.65	1.4092	1.2085	1.1032	0.9978	13	13	12	12
1203	Osteoarthritis M<30.75	1.7067	1.4637	1.3361	1.2084	15	16	15	14
1301	Rheumatoid, other arthritis M>36.35	1.0977	0.9523	0.8893	0.8342	10	10	10	10
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.4355	1.2454	1.1630	1.0909	12	13	13	12
1303	Rheumatoid, other arthritis M<26.15	1.7337	1.5041	1.4046	1.3175	14	17	15	15
1401	Cardiac M>48.85	0.9226	0.7511	0.6772	0.6103	9	8	8	7
1402	Cardiac M>38.55 and M<48.85	1.2379	1.0079	0.9086	0.8189	11	11	10	10
1403	Cardiac M>31.15 and M<38.55	1.4752	1.2011	1.0828	0.9759	13	13	12	11
1404	Cardiac M<31.15	1.8581	1.5129	1.3639	1.2292	17	16	15	13
1501	Pulmonary M>49.25	1.0145	0.8753	0.7927	0.7596	9	10	9	8
1502	Pulmonary M>39.05 and M<49.25	1.2970	1.1191	1.0134	0.9711	11	11	10	11
1503	Pulmonary M>29.15 and M<39.05	1.5391	1.3280	1.2026	1.1524	14	13	12	12
1504	Pulmonary M<29.15	1.9395	1.6735	1.5155	1.4522	19	16	15	14

## 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
1601	Pain syndrome M>37.15	1.2123	0.9280	0.8814	0.7954	9	11	10	10
1602	Pain syndrome M>26.75 and M<37.15	1.5361	1.1758	1.1169	1.0079	11	12	12	12
1603	Pain syndrome M<26.75	1.8637	1.4266	1.3551	1.2228	12	16	15	14
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.2825	0.9724	0.9103	0.8196	14	11	10	10
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.5510	1.1760	1.1009	0.9912	14	14	12	11
1703	Major multiple trauma without brain or spinal cord Injury M>25.55 and M<31.05	1.8097	1.3722	1.2846	1.1565	15	15	14	13
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.3097	1.7513	1.6395	1.4761	20	19	17	16
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.1285	1.0063	0.8504	0.7943	12	11	10	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.6639	1.4838	1.2539	1.1712	16	17	14	13
1803	Major multiple trauma with brain or spinal cord injury M<23.05	2.6145	2.3315	1.9703	1.8403	30	25	20	19



## 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
1901	Guillain Barre M>35.95	1.4000	1.0049	0.9440	0.9096	15	13	11	11
1902	Guillain Barre M>18.05 and M<35.95	2.4651	1.7694	1.6622	1.6017	24	21	18	18
1903	Guillain Barre M<18.05	4.2669	3.0627	2.8772	2.7725	46	31	30	30
2001	Miscellaneous M>49.15	0.9693	0.7709	0.7160	0.6500	9	9	8	8
2002	Miscellaneous M>38.75 and M<49.15	1.2597	1.0018	0.9306	0.8448	12	11	10	10
2003	Miscellaneous M>27.85 and M<38.75	1.5484	1.2314	1.1438	1.0384	14	14	12	12
2004	Miscellaneous M<27.85	1.9734	1.5695	1.4578	1.3234	18	17	15	15
2101	Burns M>0	1.9075	1.5493	1.4963	1.3168	22	16	16	14
5001	Short-stay cases, length of stay is 3 days or fewer				0.1599				2
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.7539				8
5102	Expired, orthopedic, length of stay is 14 days or more				1.6493				18
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.8091				8
5104	Expired, not orthopedic, length of stay is 16 days or more				2.1145				21

## DESCRIPTION OF THE IRF STANDARD PAYMENT CONVERSION FACTOR AND PAYMENT RATES FOR FY 2019

<b>Calculations to Determine the FY 2019 Standard Payment Conversion Factor (Page 56)</b>	
Explanation for Adjustment	Calculations
Standard Payment Conversion Factor for FY 2018	\$15,838
Market Basket Increase Factor for FY 2019 (2.9 percent), reduced by 0.8 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 sections 1886(j)(3)(C)(ii)(II) and 1886(j)(3)(D)(v) of the Act	x 1.0135
Budget Neutrality Factor for the Wage Index and Labor-Related Share	x 1.0000
Budget Neutrality Factor for the Revisions to the CMG Relative Weights	x 0.9981
<b>FY 2019 Standard Payment Conversion Factor</b>	<b>= \$16,021</b>

The CMG relative weights (shown above) are multiplied by the FY 2019 standard payment conversion factor (\$16,021), resulting in unadjusted IRF prospective payment rates for FY 2019 as shown below.

<b>FY 2019 Payment Rates (Page 57)</b>				
CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0101	\$ 13,561.78	\$ 11,799.47	\$ 10,809.37	\$ 10,335.15
0102	\$ 17,152.08	\$ 14,923.56	\$ 13,670.72	\$ 13,071.53
0103	\$ 19,851.62	\$ 17,272.24	\$ 15,822.34	\$ 15,128.63
0104	\$ 20,727.97	\$ 18,034.84	\$ 16,520.86	\$ 15,796.71
0105	\$ 23,824.83	\$ 20,727.97	\$ 18,988.09	\$ 18,156.60
0106	\$ 26,639.72	\$ 23,177.58	\$ 21,232.63	\$ 20,303.41
0107	\$ 29,883.97	\$ 26,000.48	\$ 23,818.42	\$ 22,775.45
0108	\$ 36,938.02	\$ 32,138.13	\$ 29,440.19	\$ 28,152.10
0109	\$ 33,415.00	\$ 29,073.31	\$ 26,633.31	\$ 25,466.98
0110	\$ 44,306.08	\$ 38,546.53	\$ 35,311.89	\$ 33,765.86
0201	\$ 13,193.29	\$ 10,618.72	\$ 9,487.64	\$ 8,854.81
0202	\$ 18,436.97	\$ 14,840.25	\$ 13,257.38	\$ 12,374.62
0203	\$ 20,383.52	\$ 16,405.50	\$ 14,657.61	\$ 13,680.33
0204	\$ 22,174.67	\$ 17,849.00	\$ 15,945.70	\$ 14,883.51
0205	\$ 26,162.29	\$ 21,056.40	\$ 18,813.46	\$ 17,559.02
0206	\$ 31,498.89	\$ 25,353.23	\$ 22,652.09	\$ 21,141.31
0207	\$ 39,833.01	\$ 32,061.23	\$ 28,643.95	\$ 26,734.24
0301	\$ 18,787.83	\$ 15,192.71	\$ 13,943.08	\$ 13,033.08
0302	\$ 22,985.33	\$ 18,589.17	\$ 17,059.16	\$ 15,945.70
0303	\$ 26,550.00	\$ 21,471.34	\$ 19,705.83	\$ 18,417.74
0304	\$ 33,969.33	\$ 27,471.21	\$ 25,212.25	\$ 23,565.29
0401	\$ 16,085.08	\$ 12,972.20	\$ 11,999.73	\$ 10,982.40
0402	\$ 23,828.03	\$ 19,218.79	\$ 17,776.90	\$ 16,269.33

**FY 2019 Payment Rates (Page 57)**

<b>CMG</b>	<b>Payment Rate Tier 1</b>	<b>Payment Rate Tier 2</b>	<b>Payment Rate Tier 3</b>	<b>Payment Rate No Comorbidity</b>
0403	\$ 37,950.54	\$ 30,608.12	\$ 28,313.91	\$ 25,913.97
0404	\$ 64,687.99	\$ 52,173.99	\$ 48,263.26	\$ 44,171.50
0405	\$ 57,955.97	\$ 46,744.47	\$ 43,239.08	\$ 39,573.47
0501	\$ 14,692.86	\$ 11,447.00	\$ 10,581.87	\$ 9,724.75
0502	\$ 19,516.78	\$ 15,205.53	\$ 14,056.83	\$ 12,917.73
0503	\$ 24,281.43	\$ 18,919.20	\$ 17,488.52	\$ 16,070.67
0504	\$ 27,918.19	\$ 21,751.71	\$ 20,107.96	\$ 18,477.02
0505	\$ 31,973.11	\$ 24,912.66	\$ 23,028.59	\$ 21,162.14
0506	\$ 43,250.29	\$ 33,698.57	\$ 31,149.63	\$ 28,624.72
0601	\$ 17,200.15	\$ 13,204.51	\$ 12,214.41	\$ 11,131.39
0602	\$ 22,301.23	\$ 17,120.04	\$ 15,835.16	\$ 14,431.72
0603	\$ 27,434.36	\$ 21,061.21	\$ 19,479.93	\$ 17,754.47
0604	\$ 35,483.31	\$ 27,240.51	\$ 25,196.23	\$ 22,964.50
0701	\$ 16,469.59	\$ 13,436.81	\$ 12,733.49	\$ 11,488.66
0702	\$ 20,960.27	\$ 17,100.82	\$ 16,205.24	\$ 14,622.37
0703	\$ 24,992.76	\$ 20,391.53	\$ 19,324.53	\$ 17,435.65
0704	\$ 31,893.00	\$ 26,021.31	\$ 24,659.52	\$ 22,249.96
0801	\$ 13,443.22	\$ 10,959.97	\$ 9,908.99	\$ 9,218.48
0802	\$ 17,248.21	\$ 14,061.63	\$ 12,714.27	\$ 11,826.70
0803	\$ 22,626.46	\$ 18,446.58	\$ 16,677.86	\$ 15,514.74
0804	\$ 20,389.93	\$ 16,623.39	\$ 15,029.30	\$ 13,981.53
0805	\$ 24,302.25	\$ 19,813.17	\$ 17,913.08	\$ 16,663.44
0806	\$ 29,944.85	\$ 24,412.80	\$ 22,072.13	\$ 20,532.51
0901	\$ 16,474.39	\$ 12,933.75	\$ 11,985.31	\$ 11,044.88
0902	\$ 20,875.36	\$ 16,389.48	\$ 15,186.31	\$ 13,995.95
0903	\$ 26,053.35	\$ 20,455.61	\$ 18,954.45	\$ 17,467.70
0904	\$ 32,637.98	\$ 25,625.59	\$ 23,744.72	\$ 21,883.08
1001	\$ 17,528.58	\$ 14,835.45	\$ 13,178.87	\$ 12,150.33
1002	\$ 22,403.77	\$ 18,960.85	\$ 16,842.88	\$ 15,529.16
1003	\$ 32,437.72	\$ 27,453.59	\$ 24,387.17	\$ 22,483.87
1101	\$ 21,817.40	\$ 16,091.49	\$ 16,091.49	\$ 14,149.75
1102	\$ 30,773.14	\$ 22,696.95	\$ 22,696.95	\$ 19,958.96
1201	\$ 17,823.36	\$ 15,285.64	\$ 13,954.29	\$ 12,619.74
1202	\$ 22,576.79	\$ 19,361.38	\$ 17,674.37	\$ 15,985.75
1203	\$ 27,343.04	\$ 23,449.94	\$ 21,405.66	\$ 19,359.78
1301	\$ 17,586.25	\$ 15,256.80	\$ 14,247.48	\$ 13,364.72
1302	\$ 22,998.15	\$ 19,952.55	\$ 18,632.42	\$ 17,477.31
1303	\$ 27,775.61	\$ 24,097.19	\$ 22,503.10	\$ 21,107.67
1401	\$ 14,780.97	\$ 12,033.37	\$ 10,849.42	\$ 9,777.62
1402	\$ 19,832.40	\$ 16,147.57	\$ 14,556.68	\$ 13,119.60
1403	\$ 23,634.18	\$ 19,242.82	\$ 17,347.54	\$ 15,634.89
1404	\$ 29,768.62	\$ 24,238.17	\$ 21,851.04	\$ 19,693.01
1501	\$ 16,253.30	\$ 14,023.18	\$ 12,699.85	\$ 12,169.55

FY 2019 Payment Rates (Page 57)				
CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
1502	\$ 20,779.24	\$ 17,929.10	\$ 16,235.68	\$ 15,557.99
1503	\$ 24,657.92	\$ 21,275.89	\$ 19,266.85	\$ 18,462.60
1504	\$ 31,072.73	\$ 26,811.14	\$ 24,279.83	\$ 23,265.70
1601	\$ 19,422.26	\$ 14,867.49	\$ 14,120.91	\$ 12,743.10
1602	\$ 24,609.86	\$ 18,837.49	\$ 17,893.85	\$ 16,147.57
1603	\$ 29,858.34	\$ 22,855.56	\$ 21,710.06	\$ 19,590.48
1701	\$ 20,546.93	\$ 15,578.82	\$ 14,583.92	\$ 13,130.81
1702	\$ 24,848.57	\$ 18,840.70	\$ 17,637.52	\$ 15,880.02
1703	\$ 28,993.20	\$ 21,984.02	\$ 20,580.58	\$ 18,528.29
1704	\$ 37,003.70	\$ 28,057.58	\$ 26,266.43	\$ 23,648.60
1801	\$ 18,079.70	\$ 16,121.93	\$ 13,624.26	\$ 12,725.48
1802	\$ 26,657.34	\$ 23,771.96	\$ 20,088.73	\$ 18,763.80
1803	\$ 41,886.90	\$ 37,352.96	\$ 31,566.18	\$ 29,483.45
1901	\$ 22,429.40	\$ 16,099.50	\$ 15,123.82	\$ 14,572.70
1902	\$ 39,493.37	\$ 28,347.56	\$ 26,630.11	\$ 25,660.84
1903	\$ 68,360.00	\$ 49,067.52	\$ 46,095.62	\$ 44,418.22
2001	\$ 15,529.16	\$ 12,350.59	\$ 11,471.04	\$ 10,413.65
2002	\$ 20,181.65	\$ 16,049.84	\$ 14,909.14	\$ 13,534.54
2003	\$ 24,806.92	\$ 19,728.26	\$ 18,324.82	\$ 16,636.21
2004	\$ 31,615.84	\$ 25,144.96	\$ 23,355.41	\$ 21,202.19
2101	\$ 30,560.06	\$ 24,821.34	\$ 23,972.22	\$ 21,096.45
5001				\$ 2,561.76
5101				\$ 12,078.23
5102				\$ 26,423.44
5103				\$ 12,962.59
5104				\$ 33,876.40

### UPDATE TO PAYMENTS FOR HIGH-COST OUTLIERS UNDER THE IRF PPS FOR FY 2019 (PAGE 60)

CMS is updating the outlier threshold amount from \$8,679 for FY 2018 to **\$9,402** for FY 2019 to maintain estimated outlier payments at approximately 3.0 percent of total estimated aggregate IRF payments for FY 2019.

CMS says that based on an analysis of the data used, the agency estimates that IRF outlier payments as a percentage of total estimated payments would be approximately 3.1 percent in FY 2018.

### REMOVAL OF THE FIM™ INSTRUMENT AND ASSOCIATED FUNCTION MODIFIERS FROM THE IRF-PAI BEGINNING WITH FY 2020 AND PROPOSED REFINEMENTS TO THE CASE-MIX CLASSIFICATION SYSTEM BEGINNING WITH FY 2020 (PAGE 68)

The IRF-PAI currently in use (IRF-PAI version 2.0) was originally developed based on a modified version of the Uniform Data System for medical rehabilitation (UDSmr) patient assessment instrument, commonly referred to as the FIM™. Item 39 of the IRF-PAI version 2.0 contains 18 of the FIM™ data elements and the FIM™



continued

measurement scale that are used to score both motor and cognitive functioning at admission and discharge. The FIM™ data elements and measurement scale are collectively referred to as the FIM™ instrument. Additionally, items 29 through 38 of the IRF-PAI version 2.0 contain Function Modifiers associated with the FIM™ instrument. The FIM™ instrument and associated Function Modifiers are currently used to assign a patient into a CMG for payment purposes under the IRF PPS based on the patient's ability to perform specific activities of daily living and, in some cases, the patient's cognitive ability.

CMS is finalizing its proposal to remove the FIM™ instrument and associated Function Modifiers from the IRF-PAI beginning in FY 2020; that is, for all discharges occurring on or after Oct. 1, 2019.

### **REFINEMENTS TO THE CASE-MIX CLASSIFICATION SYSTEM BEGINNING WITH FY 2020 (PAGE 72)**

CMS is finalizing its proposal to use the Quality Indicator data items to construct the functional status scores for use in the IRF case-mix classification system and to derive the scores for each respective group of the functional status items by calculating the sum of the items that constitute each functional status component.

CMS is finalizing its proposal to utilize CMGs based on the data items from the Quality Indicators section of the IRF-PAI to classify IRF patients for purposes of establishing payment under the IRF PPS beginning with FY 2020.

Based on public comments, CMS is not finalizing the revised CMG definitions as proposed.

### **COMMENT**

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This is a long section covering some 55 pages.

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### **REVISIONS TO CERTAIN IRF COVERAGE REQUIREMENTS BEGINNING WITH FY 2019 (PAGE 127)**

CMS is finalizing its proposal to modify §412.622(a)(3)(iv) to provide that the post-admission physician evaluation required under §412.622(a)(4)(ii) may count as one of the face-to-face physician visits required under §412.622(a)(3)(iv) beginning with FY 2019, that is, for all IRF discharges beginning on or after Oct. 1, 2018.

CMS is finalizing its proposal to amend §412.622(a)(5)(A) to expressly provide that the rehabilitation physician may lead the interdisciplinary meeting remotely without any additional documentation requirements beginning with FY 2019. CMS notes that this policy in no way precludes IRFs from exercising their own discretion in determining how best to organize their medical staff or implementing a protocol for determining when the rehabilitation physician should lead the interdisciplinary team meeting in person or remotely.

CMS is finalizing its proposal to amend §412.606(a) to remove the admission order documentation requirement beginning with FY 2019. IRFs will continue to meet the requirements at §§482.12(c), 482.24(c) and 412.3.

## UPDATES TO THE IRF QUALITY REPORTING PROGRAM (PAGE 146)

The IRF Quality Reporting Program 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
<b>IRF-PAI</b>	
Pressure Ulcer	Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678)*
Pressure Ulcer/ Injury	Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury
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 Long-Term Care Hospital (LTCH) Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631)
DRR	Drug Regimen Review Conducted With Follow-Up for Identified Issues- Post Acute Care (PAC) Inpatient Rehabilitation Facility (IRF) Quality Reporting Program (QRP)
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)
<b>NHSN</b>	
CAUTI	National Healthcare Safety Network (NHSN) Catheter-Associated Urinary Tract Infection Outcome Measure (NQF #0138)
MRSA	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital- onset Methicillin-resistant Staphylococcus aureus (MRSA) Bacteremia Outcome Measure (NQF #1716)
CDI	National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital- onset Clostridium difficile Infection (CDI) Outcome Measure (NQF #1717)
HCP Influenza Vaccine	Influenza Vaccination Coverage among Healthcare Personnel (NQF #0431)
<b>Claims-Based</b>	
MSPB IRF	Medicare Spending Per Beneficiary (MSPB)-Post Acute Care (PAC) PAC IRF QRP
DTC	Discharge to Community- PAC IRF QRP
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

\* The measure will be replaced with the Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/ Injury measure, effective October 1, 2018.

## REMOVAL OF TWO IRF QRP MEASURES

*Analysis provided for MHA  
by Larry Goldberg,  
Goldberg Consulting*

CMS is adopting its proposal, with the FY 2020 IRF QRP, to remove the National Healthcare Safety Network Facility-wide Inpatient Hospital-onset Methicillin-resistant Staphylococcus aureus Bacteremia Outcome Measure (NQF #1716).

CMS is adopting its proposal to remove one measure beginning with the FY 2021 IRF QRP: Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short Stay) (NQF #0680).