

Issue Brief

FEDERAL ISSUE BRIEF • April 28, 2017

Key Points

- CMS proposes to remove the 25 percent payment penalty for IRF-PAI late transmissions, remove the voluntary swallowing status item from the IRF-PAI and revise the ICD-10 diagnosis codes that are used to determine presumptive compliance and more.
- CMS estimates that IRF PPS payments will increase 1.0 percent or \$80 million for 2018.
- Comments about the rule are due no later than 4 p.m. Monday, June 26.

CMS Proposes Inpatient Rehabilitation Facility FY 2018 PPS Update

The Centers for Medicare and Medicaid Services have published a proposed rule to update the payment rates for inpatient rehabilitation facilities for Federal fiscal year 2018. The proposed rule would also remove the 25 percent payment penalty for IRF-PAI late transmissions, remove the voluntary swallowing status item (Item 27) from the IRF-PAI, revise the ICD-10-CM diagnosis codes that are used to determine presumptive compliance under the 60 percent rule, provide for automatic annual updates to the presumptive methodology diagnosis code lists, solicit comments regarding the criteria used to classify facilities for payment under the IRF PPS, use height/weight items from the IRF-PAI to determine patient BMI greater than 50 for cases of lower extremity single joint replacement under the presumptive methodology, and revise and update the quality measures and reporting requirements under the IRF QRP.

The 211-page proposal is scheduled for publication in the *Federal Register* on May 3. A 60-day comment period ending June 26 is provided. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-08428.pdf>. This link will change upon publication.

PROPOSED CHANGES TO IRF PAYMENT POLICIES AND RATES:

Update to the payment rates under the IRF PPS.

For FY 2018, CMS is proposing to update IRF PPS payments to reflect a 1.0 percent increase factor, in accordance with section 411(b) of the Medicare and CHIP Reauthorization Act of 2015. CMS estimates that outlier payments in FY 2017 are 3.0 percent of total payments. CMS does not anticipate any change in aggregate outlier payments for FY 2018, resulting in an overall update of 1.0 percent (or \$80 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 the new Office of Management and Budget delineations in FY 2016. Thus, CMS will no longer apply a rural adjustment for these IRFs.

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PROPOSED FY 2018 UPDATE TO THE CASE-MIX GROUP RELATIVE WEIGHTS AND AVERAGE LENGTH OF STAY VALUES

The following table presents the proposed 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.

Proposed 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	0.8483	0.7280	0.6724	0.6423	9	9	9	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0670	0.9157	0.8458	0.8079	11	12	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.2069	1.0357	0.9567	0.9138	13	13	12	11
0104	Stroke M>38.85 and M<44.45	1.2945	1.1109	1.0261	0.9802	13	13	12	12
0105	Stroke M>34.25 and M<38.85	1.5055	1.2920	1.1934	1.1399	14	14	14	13
0106	Stroke M>30.05 and M<34.25	1.6678	1.4313	1.3220	1.2628	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8621	1.5980	1.4760	1.4099	17	17	16	16
0108	Stroke M<26.15 and A>84.5	2.3684	2.0324	1.8773	1.7932	21	23	21	20
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.1330	1.8304	1.6907	1.6150	19	19	19	19
0110	Stroke M<22.35 and A<84.5	2.7845	2.3896	2.2072	2.1083	27	26	23	24
0201	Traumatic brain injury M>53.35 and C>23.5	0.8414	0.6780	0.6173	0.5671	9	9	8	7
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.0873	0.8762	0.7977	0.7329	11	11	10	9
0203	Traumatic brain injury M>44.25 and C<23.5	1.2583	1.0140	0.9231	0.8481	12	12	11	11
0204	Traumatic brain injury M>40.65 and M<44.25	1.3877	1.1182	1.0180	0.9353	11	12	12	12
0205	Traumatic brain injury M>28.75 and M<40.65	1.6314	1.3146	1.1968	1.0996	15	15	14	13
0206	Traumatic brain injury M>22.05 and M<28.75	1.9703	1.5877	1.4454	1.3280	18	18	16	15
0207	Traumatic brain injury M<22.05	2.5103	2.0229	1.8416	1.6920	28	23	19	18
0301	Non- traumatic brain injury M>41.05	1.1649	0.9439	0.8581	0.8107	10	11	10	10
0302	Non- traumatic brain injury M>35.05 and M<41.05	1.4142	1.1460	1.0418	0.9842	13	13	12	12
0303	Non- traumatic brain injury M>26.15 and M<35.05	1.6626	1.3472	1.2248	1.1571	15	15	13	13

Proposed 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			
0304	Non- traumatic brain injury M<26.15	2.1547	1.7459	1.5872	1.4995	21	19	17	16
0401	Traumatic spinal cord injury M>48.45	0.8971	0.8369	0.7456	0.6728	11	11	10	9
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.3102	1.2223	1.0888	0.9825	13	14	13	12
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.1239	1.9813	1.7650	1.5927	22	22	20	18
0404	Traumatic spinal cord Injury M<16.05 and A>63.5	3.7200	3.4704	3.0915	2.7897	42	36	31	33
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.4257	3.1958	2.8469	2.5690	33	35	31	27
0501	Non- traumatic spinal cord injury M>51.35	0.9396	0.7059	0.6687	0.6136	9	9	9	7
0502	Non- traumatic spinal cord injury M>40.15 and M<51.35	1.2215	0.9178	0.8693	0.7978	12	11	10	10
0503	Non- traumatic spinal cord injury M>31.25 and M<40.15	1.5300	1.1496	1.0889	0.9992	16	13	12	12
0504	Non- traumatic spinal cord injury M>29.25 and M<31.25	1.7373	1.3053	1.2364	1.1346	17	15	14	13
0505	Non- traumatic spinal cord injury M>23.75 and M<29.25	1.9970	1.5004	1.4212	1.3042	18	17	16	15
0506	Non- traumatic spinal cord injury M<23.75	2.7578	2.0721	1.9627	1.8011	26	23	21	20
0601	Neurological M>47.75	1.0678	0.8160	0.7570	0.6888	10	9	9	8
0602	Neurological M>37.35 and M<47.75	1.3930	1.0646	0.9876	0.8986	12	12	11	11
0603	Neurological M>25.85 and M<37.35	1.7085	1.3056	1.2112	1.1021	14	14	13	13
0604	Neurological M<25.85	2.2217	1.6978	1.5750	1.4331	19	18	16	16
0701	Fracture of lower extremity M>42.15	1.0395	0.8307	0.7888	0.7185	12	11	10	9
0702	Fracture of lower extremity M>34.15 and M<42.15	1.3168	1.0523	0.9993	0.9102	12	12	11	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5920	1.2722	1.2082	1.1004	15	14	14	13
0704	Fracture of lower extremity M<28.15	2.0178	1.6125	1.5313	1.3947	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.8775	0.6453	0.6128	0.5656	8	8	7	7
0802	Replacement of lower extremity joint M>37.05 and M<49.55	1.1266	0.8285	0.7868	0.7262	11	10	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.4578	1.0721	1.0181	0.9396	13	13	12	11
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.3414	0.9865	0.9368	0.8646	12	11	11	10



continued

Proposed 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			
0805	Replacement of lower extremity joint M>22.05 and M<28.65	1.5913	1.1703	1.1114	1.0257	14	13	12	12
0806	Replacement of lower extremity joint M<22.05	1.9238	1.4148	1.3436	1.2400	16	16	14	14
0901	Other orthopedic M>44.75	1.0100	0.8084	0.7245	0.6736	10	10	9	8
0902	Other orthopedic M>34.35 and M<44.75	1.3277	1.0627	0.9524	0.8856	12	12	11	10
0903	Other orthopedic M>24.15 and M<34.35	1.6291	1.3040	1.1686	1.0866	15	14	13	13
0904	Other orthopedic M<24.15	2.0410	1.6337	1.4641	1.3613	18	18	16	15
1001	Amputation, lower extremity M>47.65	1.0450	0.9001	0.7939	0.7247	10	11	10	9
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3755	1.1847	1.0450	0.9538	13	13	12	11
1003	Amputation, lower extremity M<36.25	2.0095	1.7308	1.5266	1.3935	18	18	17	16
1101	Amputation, non-lower extremity M>36.35	1.3101	1.1733	1.0154	0.8784	12	15	12	10
1102	Amputation, non-lower extremity M<36.35	1.8980	1.6999	1.4711	1.2727	16	23	15	14
1201	Osteoarthritis M>37.65	1.2205	0.9178	0.8571	0.7889	9	11	10	10
1202	Osteoarthritis M>30.75 and M<37.65	1.5786	1.1871	1.1086	1.0203	11	13	13	12
1203	Osteoarthritis M<30.75	1.9315	1.4525	1.3564	1.2485	12	15	15	14
1301	Rheumatoid, other arthritis M>36.35	1.2280	0.9277	0.8333	0.7974	10	10	10	9
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.6884	1.2755	1.1457	1.0964	16	14	12	12
1303	Rheumatoid, other arthritis M<26.15	2.1985	1.6609	1.4919	1.4276	18	18	16	16
1401	Cardiac M>48.85	0.9282	0.7469	0.6826	0.6196	10	8	8	8
1402	Cardiac M>38.55 and M<48.85	1.2233	0.9844	0.8997	0.8165	12	11	10	10
1403	Cardiac M>31.15 and M<38.55	1.4648	1.1787	1.0773	0.9777	13	13	12	11
1404	Cardiac M<31.15	1.8551	1.4927	1.3643	1.2382	17	16	14	14
1501	Pulmonary M>49.25	1.0146	0.8485	0.7738	0.7413	10	9	9	8
1502	Pulmonary M>39.05 and M<49.25	1.3154	1.1001	1.0032	0.9612	11	12	11	10
1503	Pulmonary M>29.15 and M<39.05	1.5983	1.3367	1.2190	1.1679	14	14	12	12
1504	Pulmonary M<29.15	1.9815	1.6572	1.5112	1.4478	20	16	15	14
1601	Pain syndrome M>37.15	1.1541	0.9076	0.8273	0.7600	10	11	10	9
1602	Pain syndrome M>26.75 and M<37.15	1.5368	1.2085	1.1016	1.0120	12	14	13	12
1603	Pain syndrome M<26.75	1.9181	1.5084	1.3749	1.2631	14	16	15	14



continued

Proposed 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			
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.1984	0.9331	0.8430	0.7737	10	11	10	9
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.5242	1.1867	1.0722	0.9840	14	14	12	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.8018	1.4029	1.2675	1.1633	17	15	14	14
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.2806	1.7756	1.6043	1.4724	21	19	17	17
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.3059	1.0064	0.8850	0.8157	13	11	10	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.8718	1.4425	1.2685	1.1692	17	16	14	14
1803	Major multiple trauma with brain or spinal cord injury M<23.05	2.9245	2.2538	1.9819	1.8267	32	26	21	20
1901	Guillian Barre M>35.95	1.2961	1.0778	0.9935	0.9522	13	12	12	11
1902	Guillian Barre M>18.05 and M<35.95	2.2324	1.8563	1.7112	1.6400	23	20	21	18
1903	Guillian Barre M<18.05	3.6781	3.0585	2.8194	2.7020	39	32	28	30
2001	Miscellaneous M>49.15	0.9421	0.7634	0.6971	0.6329	9	9	8	8
2002	Miscellaneous M>38.75 and M<49.15	1.2399	1.0047	0.9174	0.8330	11	11	10	10
2003	Miscellaneous M>27.85 and M<38.75	1.5409	1.2486	1.1401	1.0351	14	14	12	12
2004	Miscellaneous M<27.85	1.9681	1.5948	1.4562	1.3222	18	17	15	15
2101	Burns M>0	1.8414	1.8221	1.3846	1.2977	29	17	14	14
5001	Short-stay cases, length of stay is 3 days or fewer				0.1567				2
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.6583				7
5102	Expired, orthopedic, length of stay is 14 days or more				1.6390				18
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.8111				8
5104	Expired, not orthopedic, length of stay is 16 days or more				2.0333				21

PROPOSED FY 2018 IRF PPS PAYMENT UPDATE

CMS is applying an increase factor of 1.0 percent to update the proposed IRF prospective payment rates for FY 2018. IRFs that failed to provide quality measures would receive a 2.0 reduction.



continued

PROPOSED LABOR-RELATED SHARE FOR FY 2018

CMS is proposing the total labor-related share for FY 2018 to be 70.7 percent.

PROPOSED AREA WAGE ADJUSTMENT

The proposed wage indexes applicable to FY 2018 are 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 PROPOSED FY 2018 STANDARD PAYMENT CONVERSION FACTOR

CMS has calculated the proposed 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 section 1886(j)(3)(C)(iii) of the Act	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 0.9974
Proposed FY 2018 Standard Payment Conversion Factor	= \$15,835

CALCULATIONS TO DETERMINE THE PROPOSED ADJUSTED FY 2018 STANDARD PAYMENT CONVERSION FACTOR FOR IRFS THAT FAILED TO MEET THE QUALITY REPORTING REQUIREMENT

Explanation for Adjustment	Calculations
Standard Payment Conversion Factor for FY 2017	\$15,708
Increase Factor for FY 2018 (1.0 percent), as required by section 1886(j)(3)(C)(iii) of the Act, and further reduced by 2 percentage points for IRFs that failed to meet the quality reporting requirement	x.0.9900
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.0.9974
Adjusted FY 2018 Standard Payment Conversion Factor	= \$ 15,521

The CMG relative weights (above) are multiplied by the proposed FY 2018 standard payment conversion factor (\$15,835), resulting in unadjusted IRF prospective payment rates for FY 2018 as shown below.

PROPOSED FY 2018 PAYMENT RATES

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0101	\$ 13,432.83	\$ 11,527.88	\$ 10,647.45	\$ 10,170.82
0102	\$ 16,895.95	\$ 14,500.11	\$ 13,393.24	\$ 12,793.10
0103	\$ 19,111.26	\$ 16,400.31	\$ 15,149.34	\$ 14,470.02
0104	\$ 20,498.41	\$ 17,591.10	\$ 16,248.29	\$ 15,521.47
0105	\$ 23,839.59	\$ 20,458.82	\$ 18,897.49	\$ 18,050.32
0106	\$ 26,409.61	\$ 22,664.64	\$ 20,933.87	\$ 19,996.44
0107	\$ 29,486.35	\$ 25,304.33	\$ 23,372.46	\$ 22,325.77
0108	\$ 37,503.61	\$ 32,183.05	\$ 29,727.05	\$ 28,395.32

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0109	\$ 33,776.06	\$ 28,984.38	\$ 26,772.23	\$ 25,573.53
0110	\$ 44,092.56	\$ 37,839.32	\$ 34,951.01	\$ 33,384.93
0201	\$ 13,323.57	\$ 10,736.13	\$ 9,774.95	\$ 8,980.03
0202	\$ 17,217.40	\$ 13,874.63	\$ 12,631.58	\$ 11,605.47
0203	\$ 19,925.18	\$ 16,056.69	\$ 14,617.29	\$ 13,429.66
0204	\$ 21,974.23	\$ 17,706.70	\$ 16,120.03	\$ 14,810.48
0205	\$ 25,833.22	\$ 20,816.69	\$ 18,951.33	\$ 17,412.17
0206	\$ 31,199.70	\$ 25,141.23	\$ 22,887.91	\$ 21,028.88
0207	\$ 39,750.60	\$ 32,032.62	\$ 29,161.74	\$ 26,792.82
0301	\$ 18,446.19	\$ 14,946.66	\$ 13,588.01	\$ 12,837.43
0302	\$ 22,393.86	\$ 18,146.91	\$ 16,496.90	\$ 15,584.81
0303	\$ 26,327.27	\$ 21,332.91	\$ 19,394.71	\$ 18,322.68
0304	\$ 34,119.67	\$ 27,646.33	\$ 25,133.31	\$ 23,744.58
0401	\$ 14,205.58	\$ 13,252.31	\$ 11,806.58	\$ 10,653.79
0402	\$ 20,747.02	\$ 19,355.12	\$ 17,241.15	\$ 15,557.89
0403	\$ 33,631.96	\$ 31,373.89	\$ 27,948.78	\$ 25,220.40
0404	\$ 58,906.20	\$ 54,953.78	\$ 48,953.90	\$ 44,174.90
0405	\$ 54,245.96	\$ 50,605.49	\$ 45,080.66	\$ 40,680.12
0501	\$ 14,878.57	\$ 11,177.93	\$ 10,588.86	\$ 9,716.36
0502	\$ 19,342.45	\$ 14,533.36	\$ 13,765.37	\$ 12,633.16
0503	\$ 24,227.55	\$ 18,203.92	\$ 17,242.73	\$ 15,822.33
0504	\$ 27,510.15	\$ 20,669.43	\$ 19,578.39	\$ 17,966.39
0505	\$ 31,622.50	\$ 23,758.83	\$ 22,504.70	\$ 20,652.01
0506	\$ 43,669.76	\$ 32,811.70	\$ 31,079.35	\$ 28,520.42
0601	\$ 16,908.61	\$ 12,921.36	\$ 11,987.10	\$ 10,907.15
0602	\$ 22,058.16	\$ 16,857.94	\$ 15,638.65	\$ 14,229.33
0603	\$ 27,054.10	\$ 20,674.18	\$ 19,179.35	\$ 17,451.75
0604	\$ 35,180.62	\$ 26,884.66	\$ 24,940.13	\$ 22,693.14
0701	\$ 16,460.48	\$ 13,154.13	\$ 12,490.65	\$ 11,377.45
0702	\$ 20,851.53	\$ 16,663.17	\$ 15,823.92	\$ 14,413.02
0703	\$ 25,209.32	\$ 20,145.29	\$ 19,131.85	\$ 17,424.83
0704	\$ 31,951.86	\$ 25,533.94	\$ 24,248.14	\$ 22,085.07
0801	\$ 13,895.21	\$ 10,218.33	\$ 9,703.69	\$ 8,956.28
0802	\$ 17,839.71	\$ 13,119.30	\$ 12,458.98	\$ 11,499.38
0803	\$ 23,084.26	\$ 16,976.70	\$ 16,121.61	\$ 14,878.57
0804	\$ 21,241.07	\$ 15,621.23	\$ 14,834.23	\$ 13,690.94
0805	\$ 25,198.24	\$ 18,531.70	\$ 17,599.02	\$ 16,241.96
0806	\$ 30,463.37	\$ 22,403.36	\$ 21,275.91	\$ 19,635.40
0901	\$ 15,993.35	\$ 12,801.01	\$ 11,472.46	\$ 10,666.46
0902	\$ 21,024.13	\$ 16,827.85	\$ 15,081.25	\$ 14,023.48
0903	\$ 25,796.80	\$ 20,648.84	\$ 18,504.78	\$ 17,206.31
0904	\$ 32,319.24	\$ 25,869.64	\$ 23,184.02	\$ 21,556.19
1001	\$ 16,547.58	\$ 14,253.08	\$ 12,571.41	\$ 11,475.62
1002	\$ 21,781.04	\$ 18,759.72	\$ 16,547.58	\$ 15,103.42
1003	\$ 31,820.43	\$ 27,407.22	\$ 24,173.71	\$ 22,066.07
1101	\$ 20,745.43	\$ 18,579.21	\$ 16,078.86	\$ 13,909.46
1102	\$ 30,054.83	\$ 26,917.92	\$ 23,294.87	\$ 20,153.20

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
1201	\$ 19,326.62	\$ 14,533.36	\$ 13,572.18	\$ 12,492.23
1202	\$ 24,997.13	\$ 18,797.73	\$ 17,554.68	\$ 16,156.45
1203	\$ 30,585.30	\$ 23,000.34	\$ 21,478.59	\$ 19,770.00
1301	\$ 19,445.38	\$ 14,690.13	\$ 13,195.31	\$ 12,626.83
1302	\$ 26,735.81	\$ 20,197.54	\$ 18,142.16	\$ 17,361.49
1303	\$ 34,813.25	\$ 26,300.35	\$ 23,624.24	\$ 22,606.05
1401	\$ 14,698.05	\$ 11,827.16	\$ 10,808.97	\$ 9,811.37
1402	\$ 19,370.96	\$ 15,587.97	\$ 14,246.75	\$ 12,929.28
1403	\$ 23,195.11	\$ 18,664.71	\$ 17,059.05	\$ 15,481.88
1404	\$ 29,375.51	\$ 23,636.90	\$ 21,603.69	\$ 19,606.90
1501	\$ 16,066.19	\$ 13,436.00	\$ 12,253.12	\$ 11,738.49
1502	\$ 20,829.36	\$ 17,420.08	\$ 15,885.67	\$ 15,220.60
1503	\$ 25,309.08	\$ 21,166.64	\$ 19,302.87	\$ 18,493.70
1504	\$ 31,377.05	\$ 26,241.76	\$ 23,929.85	\$ 22,925.91
1601	\$ 18,275.17	\$ 14,371.85	\$ 13,100.30	\$ 12,034.60
1602	\$ 24,335.23	\$ 19,136.60	\$ 17,443.84	\$ 16,025.02
1603	\$ 30,373.11	\$ 23,885.51	\$ 21,771.54	\$ 20,001.19
1701	\$ 18,976.66	\$ 14,775.64	\$ 13,348.91	\$ 12,251.54
1702	\$ 24,135.71	\$ 18,791.39	\$ 16,978.29	\$ 15,581.64
1703	\$ 28,531.50	\$ 22,214.92	\$ 20,070.86	\$ 18,420.86
1704	\$ 36,113.30	\$ 28,116.63	\$ 25,404.09	\$ 23,315.45
1801	\$ 20,678.93	\$ 15,936.34	\$ 14,013.98	\$ 12,916.61
1802	\$ 29,639.95	\$ 22,841.99	\$ 20,086.70	\$ 18,514.28
1803	\$ 46,309.46	\$ 35,688.92	\$ 31,383.39	\$ 28,925.79
1901	\$ 20,523.74	\$ 17,066.96	\$ 15,732.07	\$ 15,078.09
1902	\$ 35,350.05	\$ 29,394.51	\$ 27,096.85	\$ 25,969.40
1903	\$ 58,242.71	\$ 48,431.35	\$ 44,645.20	\$ 42,786.17
2001	\$ 14,918.15	\$ 12,088.44	\$ 11,038.58	\$ 10,021.97
2002	\$ 19,633.82	\$ 15,909.42	\$ 14,527.03	\$ 13,190.56
2003	\$ 24,400.15	\$ 19,771.58	\$ 18,053.48	\$ 16,390.81
2004	\$ 31,164.86	\$ 25,253.66	\$ 23,058.93	\$ 20,937.04
2101	\$ 29,158.57	\$ 28,852.95	\$ 21,925.14	\$ 20,549.08
5001				\$ 2,481.34
5101				\$ 10,424.18
5102				\$ 25,953.57
5103				\$ 12,843.77
5104				\$ 32,197.31

PROPOSED UPDATE TO PAYMENTS FOR HIGH-COST OUTLIERS UNDER THE IRF PPS

CMS proposes to update the outlier threshold amount from \$7,984 for FY 2017 to \$8,656 for FY 2018 to maintain estimated outlier payments at approximately 3 percent of total estimated aggregate IRF payments for FY 2018.

PROPOSED 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 proposing to eliminate this 25 percent payment penalty.

PROPOSED 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 proposing to remove this item from the IRF-PAI for all IRF discharges beginning on or after October 1, 2017.

PROPOSED REFINEMENTS TO THE 60 PERCENT RULE PRESUMPTIVE METHODOLOGY

For FY 2018, CMS is proposing the following refinements to the ICD-10-CM lists used in determining IRFs' presumptive compliance to ensure that these lists reflect as accurately as possible the types of patients that should count presumptively toward the 60 percent rule, i.e., qualify as an IRF for PPS:

- Addressing certain ICD-10-CM diagnosis codes for patients with traumatic brain injury and hip fracture conditions.
- Identifying major multiple trauma codes that did not translate exactly (one-for-one) between ICD-9-CM and ICD-10-CM.

- Removing certain non-specific and arthritis diagnosis codes that were inadvertently re-introduced through the ICD-10-CM conversion process.
- Removing one ICD-10-CM code (G72.89 – Other specified myopathies), that was identified as not representing a condition that presumptively requires intensive rehabilitation.

PROPOSED USE OF IRF-PAI DATA TO DETERMINE PATIENT BODY MASS INDEX GREATER THAN 50 FOR CASES OF LOWER EXTREMITY SINGLE JOINT REPLACEMENT

CMS is proposing to use the height/weight items (items #25A and 26A) on the IRF-PAI to calculate patients' BMI, and to use this information to determine and presumptively count lower-extremity joint replacement patients with a BMI greater than 50 toward an IRF's presumptive compliance percentage, in accordance with the regulations at 412.29(b)(2)(xiii)(B).

PROPOSED CHANGES TO THE IRF QUALITY REPORTING PROGRAM

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 Staphylococcus aureus (MRSA) Bacteremia Outcome Measure (NQF #1716)
CDI	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)
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.

PROPOSED REMOVAL OF THE ALL-CAUSE UNPLANNED READMISSION MEASURE FOR 30 DAYS POST-DISCHARGE FROM IRFS FROM THE IRF QRP

CMS is proposing to remove the All-Cause Unplanned Readmission Measure for 30 Days Post-Discharge from IRFs (NQF #2502) from the IRF QRP.

IRF QRP QUALITY MEASURES PROPOSED BEGINNING WITH THE FY 2020 IRF QRP

CMS is proposing to remove the current pressure ulcer measure entitled Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678) and to replace it with a modified version of the measure entitled Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury.

PROPOSED STANDARDIZED PATIENT ASSESSMENT DATA REPORTING BEGINNING WITH THE FY 2020 IRF QRP

For the FY 2020 program year, CMS is proposing that IRFs begin reporting standardized patient assessment data with respect to the following specified patient assessment categories required by law that include:

- functional status;
- cognitive function;
- special services, treatments and interventions;
- medical conditions and co-morbidities; and impairments.
- Impairment data.

COMMENT

This rule is well written and easy to follow. Nonetheless, the issues are not always clear and the surrounding quality material continue to grow significantly. CMS devotes some 100 pages to the quality items presenting 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.

*Analysis provided for MHA
by Larry Goldberg,
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