

## Small Entity Compliance Guide

**Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Fiscal Year 2015 Rates; Quality Reporting Requirements for Specific Providers; Reasonable Compensation Equivalents for Physician Services in Excluded Hospitals and Certain Teaching Hospitals; Provider Administrative Appeals and Judicial Review; Enforcement Provisions for Organ Transplant Centers; and Electronic Health Record (EHR) Incentive Program**

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42 CFR Parts 405, 412, 413, 415, 422, 424, 485, and 488

**CMS-1607-F & 1599-F3**

**RINs 0938-AS11, 0938-AR12, and 0938-AR53**

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub.L. 104-121, as amended by Pub. L. 110-28, May 25, 2007) contains requirements for issuance of “small entity compliance guides.” Guides are to explain what actions affected entities must take to comply with agency rules. Such guides must be prepared when agencies issue final rules for which agencies were required to prepare a Final Regulatory Flexibility Analysis under the Regulatory Flexibility Act.

The complete text of this final rule can be found on the CMS Web site at:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2015-IPPS-Final-Rule-Home-Page.html>. This rule revises the Medicare hospital inpatient prospective payment systems (IPPS) for operating and capital-related costs of acute care hospitals to implement changes arising from our continuing experience with these systems. Some of the changes implement certain statutory provisions contained in the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively known as the Affordable Care Act) and other legislation. These changes will be applicable to discharges occurring on or after October 1, 2014, unless otherwise specified in the final rule.

The great majority of the hospitals that participate in Medicare are small entities, either because their revenues fall below the Small Business Administration’s size standards for small businesses (revenues of \$34.5 million or less in any 1 year), or because they are nonprofit, or both. Accordingly, our analysis under the Regulatory Flexibility Act assumes that all hospitals are small entities.

The effects of this final rule vary considerably by type of hospital, location, bed size, and other variables. Overall, we estimate that payments to IPPS hospitals will decrease by about 0.9 percent on average in Federal Fiscal Year 2015 (Note: This figure is greater than the estimate provided in CMS-1607-P.)

This rule imposes no direct Federal compliance requirements on hospitals. In order to assist hospitals in understanding and adapting to changes in Medicare regulations and in billing and

payment procedures, we have developed a Hospital Center Web page for hospitals that includes substantial downloadable explanatory materials at <http://www.cms.hhs.gov/center/hospital.asp>. In addition, there is a Web page devoted specifically to the inpatient prospective payment system that includes substantial information at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html>.