

FACT SHEET

For Immediate Release:

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IRF PPS FY 2006: TECHNICAL CHANGES

The Centers for Medicare & Medicaid Services (CMS) is making some technical, typographical, and typesetting revisions to data and text in the FY 2006 IRF PPS final rule, entitled “Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for FY 2006; Final Rule.”

Most of the technical revisions originated from a change in the amount of the rural adjustment applied to payments for 4 inpatient rehabilitation facilities (IRFs) in the analysis for the FY 2006 final rule. In doing the analysis, we did not apply any rural adjustment amount to estimated payments for 4 IRFs that should have received a portion of the rural adjustment under the IRF hold harmless policy. Rerunning the analysis with a portion of the rural adjustment applied to payments for these 4 facilities resulted in the following technical revisions:

- The budget neutrality factor for the rural adjustment was reduced, from 0.9961 to 0.9957.
- The standard payment conversion factor for FY 2006 was reduced by \$5, from \$12,767 to \$12,762.
- The FY 2006 Federal prospective payment rates presented in Table 12 of the IRF PPS final rule changed due to the change in the FY 2006 standard payment conversion factor.
- The outlier threshold amount was reduced by \$3, from \$5,132 to \$5,129.
- Table 11 of the IRF PPS final rule, which provided examples of calculating IRF PPS payments, was revised because the payment rates in Table 12 changed.
- Table 13 of the IRF PPS final rule, which presented the projected impacts of the IRF PPS final rule by type of IRF, changed (along with some of the corresponding text that described the table).
- Some additional technical changes were made in the analysis of the hold harmless policy. The revised calculations are presented in the correction notice.

Though the issues mentioned above highlight most of the changes, CMS-1290-CN, “Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for FY 2006, Correction Notice” is a comprehensive list of all changes.