

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services



**MLN Matters® Number: MM9543**

**Related Change Request (CR) #: CR 9543**

**Related CR Release Date: February 19, 2016**

**Effective Date: January 1, 2016**

**Related CR Transmittal #: R54QRI**

**Implementation Date: April 1, 2016**

### **Fiscal Year 2017 and After Payments to Inpatient Rehabilitation Facilities (IRFs) That Do Not Submit Required Quality Data - This CR Rescinds and Fully Replaces CR9106**

#### **Provider Types Affected**

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This MLN Matters® Article is intended for Inpatient Rehabilitation Facilities (IRFs) submitting claims to Medicare Administrative Contractors (MACs) for services provided to Medicare beneficiaries.

#### **Provider Action Needed**

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Change Request (CR) 9543 advises IRFs of changes and clarifications to the payment reduction reconsideration process for Fiscal Year (FY) 2017 and after. Make sure that your billing staffs are aware of these changes.

#### **Background**

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Section 1886 (j)(7)(A)(i) of the Social Security Act requires application of a 2 percentage reduction of the applicable market basket increase factor for IRFs that fail to comply with the quality data submission requirements. FY 2014 was the first year that the mandated reduction was applied for IRFs that failed to comply with the data submission requirements during the data collection period October 1, 2012, through December 31, 2012.

Beginning with FY 2014 and each subsequent year, if an IRF agency does not submit required quality data, their payment rates for the year are reduced by 2 percentage points for that fiscal year. Application of the 2 percentage reduction may result in an update that is less than 0.0 for a fiscal year and in payment rates for a fiscal year being less than such payment

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rates for the preceding fiscal year. In addition, reporting-based reductions to the market basket increase factor will not be cumulative; they will only apply for the fiscal year involved.

Information about the [Inpatient Rehabilitation Facilities \(IRF\) Quality Reporting Program](#) (QRP) and the [IRF Quality Reporting Reconsideration and Exception & Extension](#) process is available on the Centers for Medicare & Medicaid Services (CMS) website.

CMS will provide the MACs with a list of IRFs potentially subject to the reductions. If your facility is on that list, your MAC will, send you a letter advising you about that potential reduction. You will have the opportunity to request a reconsideration by CMS of your reduction. Once CMS makes a decision on your request for reconsideration, your MAC will notify you of such decision.

### **Additional Information**

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The official instruction, CR9543, issued to your MAC regarding this change, is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R54QRI.pdf> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> on the CMS website under - How Does It Work.

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