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SPECIAL EDITION

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News:

CMS Finalizes 2018 Payment and Policy Updates for Medicare Hospital Admissions
Inpatient Psychiatric Facilities: FY 2018 Medicare Payment and Policy Updates
CMS Updates Medicare Payment Rates, Quality Reporting Requirements

CMS Finalizes 2018 Payment and Policy Updates for Medicare Hospital Admissions

On August 2, CMS issued the FY 2018 Medicare Inpatient Prospective Payment System and Long-Term Care Hospital Prospective Payment System final rule, which updates 2018 Medicare payment and policies when patients are discharged from hospitals. The final rule relieves regulatory burdens for providers, supports the patient-doctor relationship in healthcare, and promotes transparency, flexibility, and innovation in the delivery of care for Medicare patients.

“This final rule will help provide flexibility for acute and long-term care hospitals as they care for Medicare’s sickest patients,” said CMS Administrator Seema Verma. “Burden reduction and payment rate increases for acute care hospitals and long-term care hospitals will help ensure those suffering from severe injuries and illnesses have access to the care they need.”

Due to the combination of payment rate increases and other policies and payment adjustments, particularly in changes in uncompensated care payments, acute care hospitals will see a total increase in Medicare spending on inpatient hospital payments of \$2.4 billion in FY 2018. Based in part on the changes included in the final rule, overall payments to long-term care hospitals will decrease by \$110 million in FY 2018.

In addition to the payment and policy updates for Medicare hospital admissions, the final rule addresses changes to how the public is notified of Medicare terminations of certain providers and implements the statutory extension of the Rural Community Hospital Demonstration.

For More Information:

- [Final Rule](#)
- [Fact Sheet](#)

See the full text of this excerpted [Press Release](#) (issued August 2).

Inpatient Psychiatric Facilities: FY 2018 Medicare Payment and Policy Updates

On August 2, CMS issued a notice with comment period updating FY 2018 Medicare payment policies and rates for the Inpatient Psychiatric Facilities (IPF) Prospective Payment System. CMS estimates IPF payments to increase by 0.99 percent or \$45 million in FY 2018. This amount reflects a 2.6 percent IPF market basket update less the productivity adjustment of 0.6 percentage point and less the 0.75 percentage point reduction required by law, for a net market basket update of 1.25 percent. Additionally, estimated payments to IPFs are reduced by 0.26 percentage point due to updating the outlier fixed-dollar loss threshold amount. CMS is also updating the IPF wage index for FY 2018.

CMS is soliciting comments on improvements that can be made to the healthcare delivery system that would reduce unnecessary burden for clinicians, providers such as IPFs, and patients and their families.

For more information, view the [notice with comment period](#). See the full text of this excerpted [Fact Sheet](#) (issued August 2).

CMS Updates Medicare Payment Rates, Quality Reporting Requirements

CMS issued three final rules outlining 2018 Medicare payment rates for skilled nursing facilities, hospice, and inpatient rehabilitation facilities. The final rules are effective for FY 2018 and reflect a broader Administration strategy to streamline administrative requirements for providers; support the patient-doctor relationship in healthcare; and promote transparency, flexibility, and innovation in the delivery of care.

“These announcements take important steps to support innovation in the delivery of care in order to promote a Medicare program that is responsive to patients’ unique needs and ensure that patients have access to high-quality skilled nursing, hospice, and inpatient rehabilitative care,” said CMS Administrator Seema Verma. “These rules update quality reporting requirements and allow providers to spend less time and fewer resources on cumbersome paperwork, so they can increase their focus on the needs of Medicare patients.”

Final Rules:

- Hospice: [Fact Sheet](#) and [Final Rule](#)
- IRF: [Fact Sheet](#) and [Final Rule](#)
- SNF: [Fact Sheet](#) and [Final Rule](#)

See the full text of this excerpted [Press Release](#) (issued August 1).

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