CENTERS FOR MEDICARE & MEDICAID SERVICES (CMS)

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Changes to Empower Patients and Reduce Administrative Burden

Changes in the IPPS and LTCH PPS final rule will advance price transparency and electronic health records

On August 2, CMS finalized a rule to empower patients and advance the White House MyHealthEData initiative and the CMS Patients Over Paperwork initiative. This final rule and others issued earlier this week will help improve access to hospital price information, give patients greater access to their health information and allow clinicians to spend more time with their patients.

Individually and collectively, these final rules put patients first, ease provider burden, and make significant strides in modernizing Medicare. The August 2 final rule makes updates to Medicare payment policies and rates under the Inpatient Prospective Payment System (IPPS) and the Long-Term Care Hospital (LTCH) Prospective Payment System (PPS) that will incentivize value-based, quality care at these facilities. CMS also issued final rules this week on fiscal year (FY) 2019 Medicare payments and policies for the Skilled Nursing Facility (SNF) PPS, Inpatient Psychiatric Facility (IPF) PPS, Inpatient Rehabilitation Facility (IRF) PPS, and the Hospice Wage Index and Payment Rate Update.

“We’re excited to make these changes to ensure care will focus on the patient, not on needless paperwork,” said CMS Administrator Seema Verma. “We’ve listened to patients and their doctors who urged us to remove the obstacles getting in the way of quality care and positive health outcomes. Today’s final rule reflects public feedback on CMS proposals issued in April, and the agency’s patient-driven priorities of improving the quality and safety of care, advancing health information exchange and usability, and removing outdated or redundant regulations on healthcare providers to make way for innovation and greater value.”

Along with policy changes, the FY 2019 IPPS/LTCH PPS final rule provides acute care hospitals an average payment increase of approximately 3 percent, which reflects rate updates required by law and payments for new technologies and uncompensated care.

The IPPS/LTCH PPS final rule also updates geographic payment adjustments for IPPS hospitals. CMS looks forward to continuing to work on geographic payment disparities, particularly for rural hospitals, to the extent permitted under current law and appreciates responses to our request for public input on this issue. By allowing the imputed wage index floor to expire for all-urban states, CMS has begun the process of making geographic payments more equitable for rural hospitals.

In addition, CMS is updating the LTCH PPS standard federal payment rate by 1.35 percent. Overall, under the changes included in the final rule, CMS projects that LTCH PPS payments will increase by approximately 0.9 percent, or $39 million in FY 2019. In addition, CMS is finalizing the proposal to eliminate the 25 percent threshold policy in a budget neutral manner.

MyHealthEData and Interoperability

The policies in the FY 2019 IPPS/LTCH PPS final rule will bring us closer to the agency’s goal of creating a patient-centered healthcare system by increasing price transparency and fluid information exchange—

essential components of value-based care —while also significantly lifting the administrative burden on hospitals so they can operate with greater flexibility and patients have the information they need to make decisions about their own care. CMS received stakeholder feedback on solutions for achieving interoperability, or the sharing of healthcare data between providers, through responses to a Request for Information (RFI) issued in April in the IPPS/LTCH PPS proposed rule.

While CMS previously required hospitals to make publicly available a list of their standard charges or their policies for allowing the public to view this list upon request, CMS has updated its guidelines to specifically require hospitals to post this information on the Internet in a machine-readable format. The agency is considering future actions based on the public feedback it received on ways hospitals can display price information that would be most useful to stakeholders and how to create patient-friendly interfaces that allow consumers to more easily access relevant healthcare data and compare providers.

The policies released on August 2 begin implementing core pieces of the White House-led MyHealthEData initiative through several steps to strengthen interoperability. In the IPPS/LTCH PPS final rule, CMS overhauls the Medicare and Medicaid Promoting Interoperability Programs (formerly known as the "Meaningful Use" program or Medicare and Medicaid Electronic Health Record Incentive Programs) to:

- Make the program more flexible and less burdensome
- Emphasize measures that require the exchange of health information between providers and patients
- Incentivize providers to make it easier for patients to obtain their medical records electronically

Meaningful Measures and Transparency

CMS's Meaningful Measures initiative is centered on patient safety, quality of care, transparency and ensuring that the measure sets providers are asked to report make the most sense. In the IPPS/LTCH PPS final rule, CMS is removing unnecessary, redundant and process-driven measures from several pay-for-reporting and pay-for-performance quality programs. The final rule eliminates a number of measures acute care hospitals are currently required to report across the four hospital pay-for-reporting and value-based purchasing quality programs. It also "de-duplicates" certain measures that are in multiple programs, keeping them in the program where they can best incentivize improvement and maintaining transparency through public reporting. In all, these changes will remove a total of 18 measures from the programs and de-duplicate another 25 measures while still ensuring meaningful measures of hospital quality and patient safety. In addition to the changes that apply to acute care hospitals, the final rule eliminates three measures in the LTCH Quality Reporting Program. Lastly, CMS is making a variety of other changes to reduce the hours providers spend on paperwork. This new flexibility will allow hospitals to spend more time providing care to their patients, thereby improving the quality of care their patients receive. Overall, changes in the hospital quality and value measures across the four programs will eliminate more than 2 million burden hours for hospitals impacted by the IPPS/LTCH PPS rule, saving them about $75 million annually after these changes are implemented.

Similarly, the SNF PPS, IPF PPS and IRF PPS final rules establish policies that ensure the measures those providers must report are patient-centered and outcome-driven rather than process-oriented. Where applicable, these changes will allow providers to work with a smaller set of more meaningful healthcare measures and spend more time on patient care.

CMS is also advancing Meaningful Measures through the Hospice Wage Index and Payment Rate Update. This final rule will make Hospice Compare public data easier and more efficient to use.

Patients Over Paperwork

The SNF PPS final rule incorporates the agency's Patients Over Paperwork initiative through avenues that reduce unnecessary burden on providers by easing documentation requirements and offering more flexibility. As part of the agency's actions to modernize Medicare, the SNF PPS rule establishes an innovative new classification system, the Patient Driven Payment Model (PDPM), which ties skilled nursing facility payments to patients' conditions and care needs rather than volume of services provided. The new model will better incentivize treating the needs of the whole patient, rather than focusing on the amount of services for that

patient, which requires substantial paperwork to track over time. The PDPM approach advances CMS's efforts to build a patient-driven healthcare system starting with innovation throughout Medicare's payment systems. Under this new SNF payment model, patients will have more opportunity to choose a skilled nursing facility that offers services tailored to their condition and preferences, as the payment to these facilities will be based more on the patient's condition rather than the specific services each skilled nursing facility provides.

Modernizing Medicare in additional ways to benefit patients, the final IRF PPS rule adopts advances in telecommunications technology and removes obstacles that may prevent rehabilitation physicians from conducting certain meetings without being physically in the room. The rule also removes overly prescriptive documentation requirements for admission orders for these rehabilitation facilities.

Read the full text of this excerpted Press Release (issued August 2).

Final Rules:

- IPPS/LTCH
- SNF
- IPF
- Hospice
- IRF

Fact Sheets:

- IPPS/LTCH
- SNF
- IPF
- Hospice
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