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SPECIAL EDITION

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News

IPPS/LTCH: FY 2020 PPS Final Rule
IRF: FY 2020 Payment and Policy Changes
Hospice: FY 2020 Hospice Payment Rate Final Rule

News

IPPS/LTCH: FY 2020 PPS Final Rule

On August 2, CMS finalized policy changes to spur competition and innovation that will help deliver improved care and outcomes at a better value to patients. The final rule updates Medicare payment policies for hospitals under the Inpatient Prospective Payment System (IPPS) and the Long-Term Care Hospital (LTCH) Prospective Payment System (PPS) for FY 2020 and advances two key CMS priorities—“Rethinking Rural Health” and “Unleashing Innovation” by making historic changes to how Medicare pays hospitals. This final rule:

- Increases the wage index for certain low-wage index hospitals, including many rural hospitals
- Increases Medicare add-on payments for high cost eligible new technologies from 50-65%
- Clarifies policies on “substantial clinical improvement” to qualify for new technology add on payments.
- Provides an alternative pathway where Breakthrough Devices are no longer required to demonstrate evidence of “substantial clinical improvement” to qualify for new technology add-on payments
- Provides an alternative pathway where Qualified Infectious Disease Products are no longer required to meet the “substantial clinical improvement” criteria for technology add-on payments, which are increased from 50 to 75%

For More Information:

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

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

IRF: FY 2020 Payment and Policy Changes

On July 31, CMS issued a [final rule](#) that updates Medicare payment policies and rates for facilities under the Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) and the IRF Quality Reporting Program for FY 2020. We are continuing our efforts towards the eventual transition to a unified post-acute care system through updates to the data used for IRF payments, including revising the Case-Mix Groups (CMGs), updating the CMG relative weights and average length of stay values, and using concurrent inpatient prospective payment system wage index data for the IRF PPS to align wage index data across settings of care.

For FY 2020, CMS is finalizing updates to the IRF PPS payment rates using the most recent data to reflect an estimated 2.5 percent increase factor (reflecting an IRF-specific market basket increase factor of 2.9 percent,

reduced by a 0.4 percentage point multifactor productivity adjustment). CMS projects that IRF payments will increase by 2.5 percent (or \$210 million) for FY 2020, relative to payments in FY 2019.

This Rule Finalizes:

- Rebase and revise the IRF market basket
- Clarification of “rehabilitation physician”
- Two new quality measures

See the full text of this excerpted [CMS Fact Sheet](#) (Issued July 31).

Hospice: FY 2020 Hospice Payment Rate Final Rule

On July 31, CMS issued a final rule that demonstrates continued commitment to strengthening Medicare by better aligning the hospice payment rates with the costs of providing care and increasing transparency so patients can make more informed choices. For FY 2020, hospice payment rates are updated by 2.6 percent (\$520 million increase in their payments). The final hospice cap amount for the FY 2020 cap year will be \$29,964.78, which is equal to the FY 2019 cap amount (\$29,205.44) updated by the final FY 2020 hospice payment update percentage of 2.6 percent. The aggregate cap limits the overall payments per patient made to a hospice annually.

This Rule Finalizes:

- Rebasing to more accurately align Medicare payments with the costs of providing care
- Modifications to the election statement beginning in FY 2021, increasing coverage transparency for beneficiaries under a hospice election
- Hospice Quality Reporting Program updates, including developing a hospice assessment tool for real-time patient assessments

For More Information:

- [Final Rule](#)
- [Hospice Center](#) webpage
- [Hospice Quality Reporting](#) webpage

See the full text of this excerpted [CMS Fact Sheet](#) (Issued July 31).

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