

Issue Brief

FEDERAL ISSUE BRIEF • August 4, 2015

KEY POINTS

- The final rule will increase Medicare inpatient rehabilitation payments by 1.8 percent, totaling \$135 million.
- Major changes to the payment and policy rules include revisions to the labor and nonlabor share, adoption of the use of the Office of Management and Budget's 2010 census data for determining wage index, and revisions to the inpatient rehabilitation quality reporting program.

CMS Releases Final Inpatient Rehabilitation Facility FY 2016 PPS Update: Overall Increase to be \$135 Million

The Centers for Medicare and Medicaid Services has published a final rule that will update the payment rates for inpatient rehabilitation facilities for Federal fiscal year 2016.

The document is currently on display at the *Federal Register* office. Publication is scheduled for Aug. 6. A copy is at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2015-18973.pdf>. This link will be superseded after publication.

The IRF PPS Addenda along with other supporting documents and tables referenced in the rule are available through on CMS' website at: <http://www.cms.hhs.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/>.

CHANGES TO IRF PAYMENT POLICIES AND RATES

Changes to the payment rates under the IRF PPS

CMS is updating the IRF PPS payments for FY 2016 to reflect an estimated 1.8 percent increase factor (reflecting a new IRF-specific market basket estimate of 2.4 percent (down from a proposed value of 2.7 percent), reduced by a 0.5 percentage point multi-factor

productivity adjustment, reduced by 0.2 percentage point reduction required by the Affordable Care Act and increased 0.1 percent due to updating the outlier threshold).

COMMENT

CMS says the net effect of these changes would be to increase IRF payments by \$135 million, relative to payments in FY 2015.

No changes to the facility-level adjustments

CMS will continue to hold the facility-level adjustment factors at FY 2014 levels as CMS continues to monitor the most current IRF claims data available to assess the effects of its FY 2014 changes.

ICD-10-CM Conversion

CMS reminds providers that the implementation date for ICD-10-CM is Oct. 1, 2015.

IRF-Specific Marketbasket

For FY 2016, CMS is adopting an IRF-specific marketbasket to replace the Rehabilitation, Psychiatric and Long-Term Care marketbasket. The IRF

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marketbasket would be based on 2012 data (the RPL marketbasket is based on 2008 data). The IRF marketbasket would also be derived using both freestanding and hospital-based IRFs' FY 2012 Medicare cost report data.

COMMENT

CMS spends approximately 65 pages explaining the new factors used to construct the IRF marketbasket, and responding to comments.

UPDATE TO THE CASE-MIX GROUP RELATIVE WEIGHTS AND AVERAGE LENGTH OF STAY VALUES FOR FY 2016

The following table presents the CMGs, the comorbidity tiers, the corresponding relative weights, and the average length of stay values for each CMG and tier for FY 2016. The average length of stay for each CMG is used to determine when an IRF discharge meets the definition of a short-stay transfer, which results in a per diem case level adjustment.

Relative Weights and Average Length of Stay Values for Case-Mix Groups For FY 2016									
CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative weight				Average length of stay			
		Tier1	Tier2	Tier3	None	Tier1	Tier2	Tier3	None
0101	Stroke M>51.05	0.8080	0.7077	0.6589	0.6304	10	9	9	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0165	0.8904	0.8290	0.7931	11	10	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.1428	1.0010	0.9320	0.8916	12	13	12	11
0104	Stroke M>38.85 and M<44.45	1.2349	1.0817	1.0071	0.9635	13	13	12	12
0105	Stroke M>34.25 and M<38.85	1.4494	1.2696	1.1820	1.1309	14	15	14	14
0106	Stroke M>30.05 and M<34.25	1.6160	1.4155	1.3179	1.2609	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8101	1.5855	1.4762	1.4122	18	17	17	17
0108	Stroke M<26.15 and A>84.5	2.2978	2.0126	1.8739	1.7927	23	23	21	21
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.0953	1.8353	1.7088	1.6348	21	20	19	19
0110	Stroke M<22.35 and A<84.5	2.7602	2.4177	2.2511	2.1536	28	27	24	24
0201	Traumatic brain injury M>53.35 and C>23.5	0.8012	0.6584	0.5941	0.5613	9	9	8	8
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.0535	0.8656	0.7812	0.7380	11	11	10	9
0203	Traumatic brain injury M>44.25 and C<23.5	1.2056	0.9906	0.8940	0.8445	11	13	10	11
0204	Traumatic brain injury M>40.65 and M<44.25	1.3292	1.0922	0.9856	0.9311	13	13	12	12
0205	Traumatic brain injury M>28.75 and M<40.65	1.5900	1.3064	1.1790	1.1138	15	16	14	13

Relative Weights and Average Length of Stay Values for Case-Mix Groups For FY 2016

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative weight				Average length of stay			
		Tier1	Tier2	Tier3	None	Tier1	Tier2	Tier3	None
0206	Traumatic brain injury M>22.05 and M<28.75	1.8962	1.5580	1.4060	1.3282	17	18	17	16
0207	Traumatic brain injury M<22.05	2.5238	2.0737	1.8714	1.7679	30	24	20	19
0301	Non-traumatic brain injury M>41.05	1.1171	0.9325	0.8551	0.7979	10	11	10	10
0302	Non-traumatic brain injury M>35.05 and M<41.05	1.3867	1.1576	1.0615	0.9906	13	13	12	12
0303	Non-traumatic brain injury M>26.15 and M<35.05	1.6159	1.3489	1.2370	1.1543	16	15	14	14
0304	Non-traumatic brain injury M<26.15	2.1493	1.7942	1.6453	1.5353	22	20	18	17
0401	Traumatic spinal cord injury M>48.45	0.9696	0.8252	0.7557	0.6985	10	10	9	9
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.4217	1.2100	1.1081	1.0242	14	14	13	13
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.2684	1.9306	1.7679	1.6342	28	22	20	19
0404	Traumatic spinal cord injury M<16.05 and A>63.5	3.9720	3.3805	3.0957	2.8615	47	37	33	34
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.5415	3.0141	2.7602	2.5514	43	39	28	27
0501	Non-traumatic spinal cord injury M>51.35	0.8672	0.6911	0.6417	0.5890	9	7	8	8
0502	Non-traumatic spinal cord injury M>40.15 and M<51.35	1.1393	0.9079	0.8430	0.7738	11	11	10	10
0503	Non-traumatic spinal cord injury M>31.25 and M<40.15	1.4419	1.1491	1.0669	0.9794	14	13	13	12
0504	Non-traumatic spinal cord injury M>29.25 and M<31.25	1.6555	1.3192	1.2249	1.1244	15	16	14	13
	Non-traumatic spinal cord injury M>23.75 and M<29.25	1.9346	1.5417	1.4315	1.3140	19	17	16	16
0506	Non-traumatic spinal cord injury M<23.75	2.7197	2.1673	2.0123	1.8472	27	24	22	21
0601	Neurological M>47.75	1.0412	0.8216	0.7667	0.6928	10	10	9	9
0602	Neurological M>37.35 and M<47.75	1.3339	1.0525	0.9822	0.8875	12	12	11	11
0603	Neurological M>25.85 and M<37.35	1.6581	1.3083	1.2209	1.1031	15	14	13	13
0604	Neurological M<25.85	2.1767	1.7175	1.6028	1.4482	20	18	17	16
0701	Fracture of lower extremity M>42.15	0.9659	0.8088	0.7660	0.6958	11	9	9	9

Relative Weights and Average Length of Stay Values for Case-Mix Groups For FY 2016

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative weight				Average length of stay			
		Tier1	Tier2	Tier3	None	Tier1	Tier2	Tier3	None
0702	Fracture of lower extremity M>34.15 and M<42.15	1.2529	1.0491	0.9936	0.9025	13	12	12	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5022	1.2579	1.1913	1.0821	14	14	14	13
0704	Fracture of lower extremity M<28.15	1.9534	1.6357	1.5492	1.4071	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.8034	0.6328	0.5741	0.5302	8	8	7	7
0802	Replacement of lower extremity Joint M>37.05 and M<49.55	1.0561	0.8318	0.7547	0.6970	10	10	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.4245	1.1220	1.0180	0.9401	13	13	12	11
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.2739	1.0033	0.9103	0.8407	12	11	11	10
0805	Replacement of lower-extremity Joint M>22.05 and M<28.65	1.5355	1.2094	1.0973	1.0134	15	14	12	12
0806	Replacement of lower extremity joint M<22.05	1.9083	1.5031	1.3637	1.2594	17	16	15	14
0901	Other orthopedic M>44.75	0.9563	0.7692	0.7050	0.6426	10	9	9	8
0902	Other orthopedic M>34.35 and M<44.75	1.2714	1.0226	0.9372	0.8544	13	12	11	11
0903	Other orthopedic M>24.15 and M<34.35	1.5876	1.2770	1.1704	1.0669	15	14	13	13
0904	Other orthopedic M<24.15	2.0060	1.6135	1.4788	1.3480	19	18	16	16
1001	Amputation, lower extremity M>47.65	1.0684	0.9367	0.8341	0.7526	11	11	10	10
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3349	1.1704	1.0421	0.9404	13	13	12	11
1003	Amputation, lower extremity M<36.25	1.9160	1.6798	1.4958	1.3497	18	19	17	16
1101	Amputation, non-lower extremity M>36.35	1.3933	1.3933	1.1068	1.0400	14	14	12	12
1102	Amputation, non-lower extremity M<36.35	1.8119	1.8119	1.4393	1.3524	16	20	15	16
1201	Osteoarthritis M>37.65	0.9863	0.9576	0.8720	0.8135	9	11	10	10
1202	Osteoarthritis M>30.75 and M<37.65	1.2107	1.1755	1.0704	0.9986	12	14	13	12
1203	Osteoarthritis M<30.75	1.4934	1.4500	1.3203	1.2318	14	16	15	14
1301	Rheumatoid, other arthritis M>36.35	1.1791	0.9716	0.9161	0.8365	9	11	10	10

Relative Weights and Average Length of Stay Values for Case-Mix Groups For FY 2016

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative weight				Average length of stay			
		Tier1	Tier2	Tier3	None	Tier1	Tier2	Tier3	None
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.4946	1.2315	1.1612	1.0603	14	14	13	13
1303	Rheumatoid, other arthritis M<26.15	1.9625	1.6171	1.5248	1.3923	21	18	16	16
1401	Cardiac M>48.85	0.9069	0.7453	0.6740	0.6065	9	9	8	8
1402	Cardiac M>38.55 and M<48.85	1.2018	0.9877	0.8932	0.8037	11	11	11	10
1403	Cardiac M>31.15 and M<38.55	1.4475	1.1896	1.0757	0.9680	13	13	12	12
1404	Cardiac M<31.15	1.8371	1.5098	1.3653	1.2286	17	17	15	14
1501	Pulmonary M>49.25	1.0526	0.8479	0.7807	0.7512	11	10	9	9
1502	Pulmonary M>39.05 and M<49.25	1.3349	1.0754	0.9901	0.9527	12	12	11	11
1503	Pulmonary M>29.15 and M<39.05	1.6150	1.3010	1.1978	1.1526	15	13	13	13
1504	Pulmonary M<29.15	2.0063	1.6163	1.4881	1.4319	21	17	15	15
1601	Pain syndrome M>37.15	1.1376	0.8365	0.8218	0.7556	11	10	10	9
1602	Pain syndrome M>26.75 and M<37.15	1.4940	1.0985	1.0792	0.9923	14	13	12	12
1603	Pain syndrome M<26.75	1.9109	1.4050	1.3803	1.2692	15	15	15	15
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.0705	0.9081	0.8286	0.7711	10	10	11	9
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.3897	1.1788	1.0756	1.0010	13	14	12	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.5913	1.3498	1.2317	1.1463	19	15	14	14
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.0891	1.7721	1.6169	1.5048	21	20	18	17
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.2783	0.9685	0.8849	0.7874	14	12	11	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.8807	1.4248	1.3019	1.1584	18	17	15	14
1803	Major multiple trauma with brain or spinal cord injury M<23.05	3.0933	2.3435	2.1413	1.9054	32	27	22	21

Relative Weights and Average Length of Stay Values for Case-Mix Groups For FY 2016

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative weight				Average length of stay			
		Tier1	Tier2	Tier3	None	Tier1	Tier2	Tier3	None
1901	Guillain Barre M>35.95	1.1826	1.0281	0.9998	0.8741	16	11	12	11
1902	Guillain Barre M>18.05 and M<35.95	2.2408	1.9481	1.8945	1.6563	26	22	21	20
1903	Guillain Barre M<18.05	3.7479	3.2583	3.1687	2.7703	52	32	27	32
2001	Miscellaneous M>49.15	0.9252	0.7603	0.7013	0.6348	9	9	9	8
2002	Miscellaneous M>38.75 and M<49.15	1.2002	0.9863	0.9097	0.8234	11	11	10	10
2003	Miscellaneous M>27.85 and M<38.75	1.4943	1.2280	1.1327	1.0253	14	14	13	12
2004	Miscellaneous M<27.85	1.9243	1.5814	1.4586	1.3203	18	18	16	15
2101	Burns M>0	1.7151	1.7151	1.3313	1.2915	18	18	15	15
5001	Short-stay cases, length of stay is 3 days or fewer				0.1556				2
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.7236				8
5102	Expired, orthopedic, length of stay is 14 days or more				1.6315				17
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.7734				8
5104	Expired, not orthopedic, length of stay is 16 days or more				1.9277				21

PAYMENT CHANGES

Labor-Related Share for FY 2016

The FY 2016 labor-related share will be 71.0 percent (it was proposed at 69.6 percent). The current FY 2015 rate is 69.294.

Area Wage Adjustment

CMS will implement OMB delineations as described in the February 28, 2013 OMB Bulletin No. 13-01, for the IRF PPS wage index for FY 2016.

CMS will adopt its proposal that all IRF providers receive a one-year blended wage index using 50 percent of their FY 2016 wage index based on the new OMB delineations and 50 percent based on the OMB delineations used in FY 2015. CMS will apply this one-year blended wage index for all geographic areas.

CMS believes that 19 facilities designated as rural in FY 2015 will be designated as urban in FY 2016. While 16 of these rural IRFs that will be designated as urban will experience an increase in their wage index, these IRFs will lose their facility-based 14.9 percent rural adjustment.

Therefore, in addition to the one-year transition policy, CMS is providing, as proposed, a budget neutral three-year phase-out of the rural adjustment for existing FY 2015 rural IRFs that will become urban in FY 2016 and that experience a loss in payments due to changes from the new CBSA delineations.

FY 2015 rural IRFs, which will be classified as urban in FY 2016, will receive two-thirds of the FY 2015 rural adjustment in FY 2016, as well as the blended wage index. For FY 2017, these IRFs will receive the full FY 2017 wage index and one-third of the FY 2015 rural adjustment. For FY 2018, these IRFs will receive the full FY 2018 wage index without a rural adjustment.

CMS is not implementing a transition policy for urban facilities that become rural in FY 2016 because these IRFs will receive the full rural adjustment of 14.9 percent beginning Oct. 1, 2015.

The wage index applicable to FY 2016 is set forth in Table A available on CMS' website at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/Data-Files.html>.

CMS has calculated the FY 2016 standard conversion factor as shown in the table below.

Calculations to Determine the FY 2016 Standard Payment Conversion Factor		
Explanation for Adjustment	Calculations	
Standard Payment Conversion Factor for FY 2015	\$15,198	
Market Basket Increase Factor for FY 2016 (2.4 percent), reduced by a 0.5 percentage point reduction for the productivity adjustment as required by section 1886(j)(3)(C)(ii)(I) of the Act, and reduced by 0.2 percentage points in accordance with paragraphs 1886(j)(3)(C) and (D) of the Act	x	1.017
Budget Neutrality Factor for the Wage Index and Labor- Related Share	x	1.0033
Budget Neutrality Factor for the Revisions to the CMG Relative Weights	x	0.9981
Proposed FY 2016 Standard Payment Conversion Factor	=	\$15,478

The CMG relative weights (above) are multiplied by the FY 2016 standard payment conversion factor (\$15,477.908), resulting in unadjusted IRF prospective payment rates for FY 2016 as shown in the following table.

FY 2016 Payment Rates							
CMG	Payment Rate Tier 1		Payment Rate Tier 2		Payment Rate Tier 3		Payment Rate No Comorbidity
0101	\$	12,506.22	\$	10,953.78	\$	10,198.45	\$ 9,757.33
0102	\$	15,733.39	\$	13,781.61	\$	12,831.26	\$ 12,275.60
0103	\$	17,688.26	\$	15,493.48	\$	14,425.50	\$ 13,800.18
0104	\$	19,113.78	\$	16,742.55	\$	15,587.89	\$ 14,913.05
0105	\$	22,433.81	\$	19,650.87	\$	18,295.00	\$ 17,504.07
0106	\$	25,012.45	\$	21,909.11	\$	20,398.46	\$ 19,516.21

FY 2016 Payment Rates

CMG	Payment Rate Tier 1		Payment Rate Tier 2		Payment Rate Tier 3		Payment Rate No Comorbidity	
0107	\$	28,016.73	\$	24,540.37	\$	22,848.62	\$	21,858.03
0108	\$	35,565.35	\$	31,151.02	\$	29,004.22	\$	27,747.41
0109	\$	32,431.05	\$	28,406.77	\$	26,448.81	\$	25,303.43
0110	\$	42,722.38	\$	37,421.16	\$	34,842.53	\$	33,333.42
0201	\$	12,400.97	\$	10,190.72	\$	9,195.48	\$	8,687.80
0202	\$	16,306.07	\$	13,397.76	\$	12,091.41	\$	11,422.76
0203	\$	18,660.28	\$	15,332.51	\$	13,837.33	\$	13,071.17
0204	\$	20,573.36	\$	16,905.07	\$	15,255.12	\$	14,411.57
0205	\$	24,610.02	\$	20,220.46	\$	18,248.56	\$	17,239.40
0206	\$	29,349.38	\$	24,114.72	\$	21,762.07	\$	20,557.88
0207	\$	39,063.38	\$	32,096.73	\$	28,965.53	\$	27,363.56
0301	\$	17,290.47	\$	14,433.24	\$	13,235.24	\$	12,349.90
0302	\$	21,463.34	\$	17,917.33	\$	16,429.90	\$	15,332.51
0303	\$	25,010.90	\$	20,878.27	\$	19,146.29	\$	17,866.26
0304	\$	33,266.87	\$	27,770.63	\$	25,465.95	\$	23,763.37
0401	\$	15,007.47	\$	12,772.45	\$	11,696.72	\$	10,811.38
0402	\$	22,005.07	\$	18,728.38	\$	17,151.17	\$	15,852.57
0403	\$	35,110.30	\$	29,881.83	\$	27,363.56	\$	25,294.15
0404	\$	61,478.62	\$	52,323.38	\$	47,915.24	\$	44,290.30
0405	\$	54,815.34	\$	46,652.24	\$	42,722.38	\$	39,490.57
0501	\$	13,422.52	\$	10,696.85	\$	9,932.23	\$	9,116.54
0502	\$	17,634.09	\$	14,052.48	\$	13,047.95	\$	11,976.88
0503	\$	22,317.73	\$	17,785.77	\$	16,513.48	\$	15,159.15
0504	\$	25,623.83	\$	20,418.58	\$	18,959.00	\$	17,403.46
0505	\$	29,943.74	\$	23,862.43	\$	22,156.76	\$	20,338.09
0506	\$	42,095.52	\$	33,545.47	\$	31,146.38	\$	28,590.96
0601	\$	16,115.69	\$	12,716.72	\$	11,866.98	\$	10,723.16
0602	\$	20,646.10	\$	16,290.60	\$	15,202.49	\$	13,736.73
0603	\$	25,664.07	\$	20,249.87	\$	18,897.09	\$	17,073.78
0604	\$	33,690.96	\$	26,583.47	\$	24,808.14	\$	22,415.24
0701	\$	14,950.20	\$	12,518.61	\$	11,856.15	\$	10,769.59
0702	\$	19,392.39	\$	16,237.97	\$	15,378.94	\$	13,968.90
0703	\$	23,251.05	\$	19,469.78	\$	18,438.94	\$	16,748.74
0704	\$	30,234.73	\$	25,317.36	\$	23,978.52	\$	21,779.09
0801	\$	12,435.03	\$	9,794.48	\$	8,885.92	\$	8,206.44
0802	\$	16,346.32	\$	12,874.60	\$	11,681.25	\$	10,788.17
0803	\$	22,048.41	\$	17,366.32	\$	15,756.60	\$	14,550.87
0804	\$	19,717.42	\$	15,529.08	\$	14,089.62	\$	13,012.35

FY 2016 Payment Rates

CMG	Payment Rate Tier 1		Payment Rate Tier 2		Payment Rate Tier 3		Payment Rate No Comorbidity	
0805	\$	23,766.47	\$	18,719.09	\$	16,984.01	\$	15,685.41
0806	\$	29,536.67	\$	23,264.98	\$	21,107.35	\$	19,492.99
0901	\$	14,801.61	\$	11,905.68	\$	10,911.99	\$	9,946.16
0902	\$	19,678.73	\$	15,827.80	\$	14,505.98	\$	13,224.40
0903	\$	24,572.87	\$	19,765.41	\$	18,115.45	\$	16,513.48
0904	\$	31,048.87	\$	24,973.75	\$	22,888.87	\$	20,864.34
1001	\$	16,536.70	\$	14,498.24	\$	12,910.20	\$	11,648.74
1002	\$	20,661.58	\$	18,115.45	\$	16,129.62	\$	14,555.51
1003	\$	29,655.85	\$	25,999.94	\$	23,151.99	\$	20,890.66
1101	\$	21,565.50	\$	21,565.50	\$	17,131.05	\$	16,097.12
1102	\$	28,044.59	\$	28,044.59	\$	22,277.49	\$	20,932.45
1201	\$	15,265.95	\$	14,821.73	\$	13,496.82	\$	12,591.35
1202	\$	18,739.21	\$	18,194.39	\$	16,567.65	\$	15,456.33
1203	\$	23,114.85	\$	22,443.10	\$	20,435.60	\$	19,065.80
1301	\$	18,250.11	\$	15,038.42	\$	14,179.40	\$	12,947.35
1302	\$	23,133.42	\$	19,061.16	\$	17,973.05	\$	16,411.32
1303	\$	30,375.58	\$	25,029.47	\$	23,600.85	\$	21,550.02
1401	\$	14,037.00	\$	11,535.75	\$	10,432.17	\$	9,387.41
1402	\$	18,601.46	\$	15,287.62	\$	13,824.95	\$	12,439.67
1403	\$	22,404.41	\$	18,412.63	\$	16,649.68	\$	14,982.70
1404	\$	28,434.63	\$	23,368.68	\$	21,132.11	\$	19,016.27
1501	\$	16,292.14	\$	13,123.80	\$	12,083.67	\$	11,627.07
1502	\$	20,661.58	\$	16,645.04	\$	15,324.77	\$	14,745.89
1503	\$	24,996.97	\$	20,136.88	\$	18,539.55	\$	17,839.94
1504	\$	31,053.51	\$	25,017.09	\$	23,032.81	\$	22,162.95
1601	\$	17,607.77	\$	12,947.35	\$	12,719.82	\$	11,695.18
1602	\$	23,124.13	\$	17,002.58	\$	16,703.86	\$	15,358.82
1603	\$	29,576.91	\$	21,746.59	\$	21,364.28	\$	19,644.68
1701	\$	16,569.20	\$	14,055.57	\$	12,825.07	\$	11,935.09
1702	\$	21,509.78	\$	18,245.47	\$	16,648.14	\$	15,493.48
1703	\$	24,630.14	\$	20,892.20	\$	19,064.25	\$	17,742.43
1704	\$	32,335.09	\$	27,428.56	\$	25,026.38	\$	23,291.29
1801	\$	19,785.53	\$	14,990.44	\$	13,696.48	\$	12,187.38
1802	\$	29,109.47	\$	22,053.05	\$	20,150.81	\$	17,929.72
1803	\$	47,878.10	\$	36,272.69	\$	33,143.04	\$	29,491.78
1901	\$	18,304.28	\$	15,912.93	\$	15,474.90	\$	13,529.32
1902	\$	34,683.10	\$	30,152.69	\$	29,323.07	\$	25,636.21
1903	\$	58,010.00	\$	50,431.97	\$	49,045.14	\$	42,878.70
2001	\$	14,320.25	\$	11,767.92	\$	10,854.72	\$	9,825.43

FY 2016 Payment Rates								
CMG	Payment Rate Tier 1		Payment Rate Tier 2		Payment Rate Tier 3		Payment Rate No Comorbidity	
2002	\$	18,576.70	\$	15,265.95	\$	14,080.34	\$	12,744.59
2003	\$	23,128.78	\$	19,006.98	\$	17,531.93	\$	15,869.59
2004	\$	29,784.32	\$	24,476.91	\$	22,576.21	\$	20,435.60
2101	\$	26,546.32	\$	26,546.32	\$	20,605.86	\$	19,989.84
5001							\$	2,408.38
5101							\$	11,199.88
5102							\$	25,252.36
5103							\$	11,970.69
5104							\$	29,836.94

Update to Payments for High-Cost Outliers Under the IRF PPS

CMS now estimates that IRF outlier payments as a percentage of total estimated payments are approximately 2.9 percent in FY 2015. Therefore, CMS will update the outlier threshold amount to \$8,658 to maintain estimated outlier payments at approximately 3.0 percent of total estimated aggregate IRF payments for FY 2016. The current amount is \$9,149.

REVISIONS AND UPDATES TO THE IRF QUALITY REPORTING PROGRAM

The Improving Medicare Post-Acute Care Transformation Act of 2014 (the “IMPACT” Act) added Section 1899B to the Social Security Act to require that IRFs report data on measures that satisfy domains specified under the IMPACT Act. These same measures are to be implemented in Long-term Care Hospitals, IRFs, Skilled Nursing Facilities and Home Health Agencies.

CMS proposed to adopt 6 additional quality measures beginning with the FY 2018 payment determination. These new quality measures are:

1. an Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long-Stay) (NQF #0674);
2. an Application of Percent of LTCH Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631; endorsed on July 23, 2015);
3. IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients (NQF #2633; under review);
4. IRF Functional Outcome Measure: Change in MobilityScore for Medical Rehabilitation Patients (NQF #2634; under review);
5. IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients (NQF #2635; endorsed on July 23, 2015); and
6. IRF Functional Outcome Measure: Discharge MobilityScore for Medical Rehabilitation Patients (NQF #2636; endorsed on July 23, 2015).

CMS is adopting all as proposed.

SUMMARY OF IRF QRP MEASURES AFFECTING THE FY 2017 ADJUSTMENTS TO THE IRF PPS ANNUAL INCREASE FACTOR AND SUBSEQUENT YEAR INCREASE FACTORS

Continued IRF QRP Measures Affecting the FY 2017 Adjustments to the IRF PPS Annual Increase Factor and Subsequent Year Increase Factors:

- NQF #0138: National Health Safety Network Catheter-Associated Urinary Tract Infection Outcome Measure¹
- NQF #0431: Influenza Vaccination Coverage among Healthcare Personnel¹
- NQF #0680: Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short-Stay)
- NQF #1716: National Healthcare Safety Network Facilitywide Inpatient Hospital-Onset Methicillin-Resistant Staphylococcus aureus Bacteremia Outcome Measure¹
- NQF #1717: National Healthcare Safety Network Facilitywide Inpatient Hospital-Onset Clostridium difficile Infection Outcome Measure¹
- NQF #2502: All-Cause Unplanned Readmission Measure for 30 Days Post-Discharge from IRFs^{4,2}
- NQF #0678: Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short-Stay)⁴

- NQF #2502: All-Cause Unplanned Readmission Measure for 30 Days Post-Discharge from IRFs^{4,2}
- NQF #0678: Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short-Stay)^{4,3}
- NQF #0674: An application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)^{5,3}
- NQF #2631; An application of Percent of LTCH Patients with a an Admission and Discharge Functional Assessment and a Care Plan that Addressed Function^{5,3}
- NQF #2633; IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients^{6,3}
- NQF #2634; IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation Patients^{6,3}
- NQF #2635; IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients^{6,3}
- NQF #2636; IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients³

¹ Using CDC/NHSN

² Medicare Fee-for-Service claims data

³ New or modified IRF-PAI items

⁴ Previously adopted quality measure that was re-adopted for FY2018 and subsequent years

⁵ Not NQF-endorsed for the IRF setting.

⁶ Not NQF-endorsed, CMS submitted the measure for NQF review in November 2014

Newly adopted IRF QRP Measures Affecting FY 2018 Adjustments to the IRF PPS Annual Increase Factor and Subsequent Year Increase Factors

Analysis provided for MHA
by Larry Goldberg,
Goldberg Consulting