



### ***KHA's Federal Advocate***

**August 15, 2024**

#### **CMS Releases FY 2025 IPPS Final Rule**

On Aug. 1, The Centers for Medicare & Medicaid Services released the [Final Rule](#) of the Fiscal Year 2025 Inpatient Prospective Payment System. The Kansas Hospital Association has prepared a summary of the major provisions that can be [viewed in full here](#).

#### Key Highlights Include:

- IPPS payment increase of 2.9 percent nationally.
  - The estimated impact for Kansas is a 1.8 percent total increase in payment via the IPPS.
- Disproportionate Share Hospital uncompensated care payments will decline by approximately \$200 million due to a lower national uninsured rate.
- Creation of a new episode-based payment model, the Transforming Episode Accountability Model.
  - Five Kansas hospitals were selected by CMS for mandatory participation.
  - The model will launch on Jan. 1, 2026, and last five years.
- Three Kansas counties have their rural/urban designations change.
- It creates a separate IPPS payment for establishing and maintaining access to essential medicines for independent, small hospitals.
- It updates various quality programs, including new Hospital Consumer Assessment of Healthcare Providers and Systems questions.
- It implements a process for the distribution of two hundred new physician residency positions with an application deadline of March 31, 2025.
- CMS modifies and makes permanent the Conditions of Participation for hospitals and Critical Access Hospitals to report weekly COVID, influenza, and respiratory syncytial virus statistics.

Unless otherwise noted, provisions will go into effect on Oct. 1.

KHA strongly encourages PPS hospitals to log in to Advantage Analytics to view their hospital-specific impact reports. If you need a reminder of your login information, please contact [Dee Lewis](#) at (785) 233-7436.