



## Inpatient Psychiatric Facility PPS: FY 2022 Final Rule

The Centers for Medicare & Medicaid Services (CMS) July 29 issued its [final rule](#) for the inpatient psychiatric facility (IPF) prospective payment system (PPS) for fiscal year (FY) 2022. Key takeaways from the rule follow.

### ***Final IPF PPS Payment Provisions***

- CMS in FY 2022 will increase IPF payments by a net 2.1%, equivalent to \$80 million.
- The 2.1% payment update includes a 2.7% market basket update, a productivity cut of 0.7 percentage points, and a 0.1 percentage-point increase for the outlier fixed-dollar loss threshold amount.
- Under these payment updates, the federal per diem base rate will be \$832.94 (an increase from the previous rate of \$815.22). The electroconvulsive therapy (ECT) payment per treatment will be \$358.60 (an increase from the previous rate of \$350.97).
- The labor-related share for FY 2022 is updated to 77.2%, based on the revised market basket, which is a very slight decrease from the previous labor-related share of 77.3%.

### ***Updates to the IPF Teaching Policy***

CMS finalized its proposed update of its policies regarding residents displaced by IPF closures; the updated policy will better align with its inpatient PPS counterpart. First, the agency will now determine residents' status as "displaced" based on the day the IPF's or program's closure was publicly announced, rather than the day before or day of the IPF or program's actual closure.

Second, CMS will allow the second and third groups of residents who had not started their training, but who intended to train or return to training at the closing hospital/program, to be considered displaced. These changes will allow residents to continue training and arrange transfers while the program is winding down.

Third, IPFs applying for temporary increases in the full-time equivalent resident cap to accommodate displaced residents will have to submit letters to their Medicare Administrative Contractors containing specific identifying information about the residents, and do so within 60 days of the displaced residents beginning their training.

CMS notes that while the updated IPF policy is consistent with the current inpatient PPS policy, the actual caps under the two payment systems may not be combined; rather, the resident cap available under the inpatient PPS is separate from that under the IPF PPS,

and providers cannot add IPF resident caps to their inpatient PPS caps in order to increase the number of residents for which they receive payment under either payment system.

### ***Final Changes to the IPF Quality Reporting Program (IPFQR)***

Adoption of COVID-19 Vaccination among Health Care Personnel (HCP) Measure. CMS finalized its proposal to adopt one new measure, beginning with the FY 2023 program year. This process measure, which has also been adopted in other clinical settings, evaluates the percentage of HCP eligible to work in the IPF for at least one day during the reporting period who received a complete COVID-19 vaccination course; it excludes persons with contraindications to COVID-19 vaccination as described by the Centers for Disease Control and Prevention (CDC). IPFs will submit data through the CDC's web-based National Healthcare Safety Network (NHSN) submission framework; while other health care settings report data through NHSN, IPFs currently do not. IPFs will be required to submit this data for at least one week each month, and the CDC will calculate a summary measure of the data. This rate will be publicly reported.

The measure is not endorsed by the National Quality Forum (NQF) and has not been submitted to the NQF for consideration, although it was reviewed by the NQF's Measure Applications Partnership in this most recent cycle. Despite the lack of testing or development of this measure, CMS considered it necessary to propose the measure as soon as possible "given the novel nature of the SARS-CoV-2 virus, and the significant and immediate risk it poses in IPFs." IPFs will be required to submit data beginning Oct. 1, 2021.

Replacement of Follow-up after Hospitalization for Mental Illness (FUH) Measure with Follow-up After Psychiatric Hospitalization (FAPH) Measure. CMS will adopt the FAPH measure beginning with the FY 2024 payment determination. This measure determines the percentage of inpatient discharges from an IPF with a principal diagnosis of select mental illness or substance use disorders (SUD) for which the patient received a follow-up visit for treatment of that diagnosed condition. Two rates will be calculated: first, visits within seven days, and second, another within 30 days of discharge. Because it is a claims-based measure, IPFs will not need to submit any data.

The FAPH measure is similar to the FUH measure, but includes patients with SUD or dementia; it also does not limit the type of provider with whom the follow-up visit may be completed if the visit is billed with the relevant diagnosis. In addition, both in-person and telehealth outpatient visits are eligible, including audio-only visits. The NQF declined to endorse the FAPH measure, although the FUH measure is endorsed by the NQF. CMS will remove the FUH measure.

Removal and Retention of Measures. CMS originally proposed to remove three chart-abstracted measures from the IPQFR because the costs associated with the measures outweigh the benefits of their continued use in the program.

However, the agency did not finalize its proposals to remove two measures:

- Alcohol Use Brief Intervention Provided or Offered and Alcohol Use Brief Intervention (SUB-2/2a)

- Tobacco Use Brief Intervention Provided or Offered and Tobacco Use Brief Intervention (TOB-2/2a)

In response to certain public comments, CMS noted that not all facilities perform uniformly well on the measure. In addition, the agency cited several studies showing that alcohol use has increased during the COVID-19 pandemic, suggesting an increased need for alcohol use brief interventions. Thus, the agency now believes that the benefits of retaining the measure are greater than it had considered in its proposal, and will be retaining the measure.

CMS did finalize its proposal to remove the Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care) measure beginning with the FY 2024 IPFQR. In May 2020, the agency adopted a requirement for psychiatric hospitals that possess EHRs with the capacity to generate certain information to send at the time of these events patient admission, discharge and transfer notifications. These updated requirements overlap with, but are not the same as, the requirements for the Timely Transmission of Transition Record measure. CMS believes these competing requirements are overly burdensome, and thus will remove the measure beginning with the FY 2024 payment determination.

Patient-level Data Submission. CMS will require patient level data submission for chart-abstracted measures beginning with data submitted for the FY 2023 payment determination. Currently, data input forms within the QualityNet secure portal require the submission of aggregate data; however, the agency is concerned that aggregate data reporting increases the possibility of human error and does not allow for accuracy validation. Therefore, CMS will transition incrementally to patient-level data submission. The agency will first allow voluntary patient-level data submission for the FY 2023 payment determination (data submitted during calendar year (CY) 2022), and then mandatory patient-level submission starting with data submitted during CY 2023.