

## FY 2017 Inpatient Rehabilitation Facility Proposed Rule

### OVERVIEW

On April 21<sup>st</sup>, the Centers for Medicare and Medicaid Services (CMS) released a proposed rule for FY 2017 Medicare payment policies and rates for the Inpatient Rehabilitation Facility Prospective Payment System (IRF PPS) and the IRF Quality Reporting Program (IRF QRP).

CMS will accept comments through June 20<sup>th</sup>. This document summarizes several provisions of the proposed rule, which is available [here](#).

### Payment Policy Provisions

CMS proposes to update payment rates by 1.45 percent in FY 2017. This is the net effect of market basket update of 2.7 percent, reduced by: a 0.5 percentage point multi-factor productivity adjustment and a 0.75 percentage point required by law. The payment rates are subject to change in the final rule if more recent estimates of the market basket or multifactor productivity adjustment are made available. An additional 0.2 percent decrease in aggregate payments due to outlier payment reductions would result in an overall update of 1.6 percent, or \$125 million, relative to FY 2016 payments.

Under the proposed rule, CMS would maintain facility-level adjustment factors at their current levels for FY 2017.

### IRF QRP Updates

Under the IRF PPS, an IRF that does not submit required data to CMS receives a two percent reduction in its annual increase factor for payments. IRFs that experience a qualifying event that prevents them from submitting quality data currently have up to 30 days to submit an exception or extension request. Under the proposed rule, CMS would allow IRFs to submit an exception or extension request within 90 days of a qualifying event.

To satisfy requirements of the Improving Medicare Post-Acute Care Transformation (IMPACT) Act, CMS is proposing to add five new measures to the IRF QRP. IRFs would be required to report on the following claims-based measures in FY 2017 for FY 2018 payment determinations:

- Discharge to Community – Post Acute Care (PAC) IRF QRP;
- Medicare Spending Per Beneficiary – PAC IRF QRP; and
- Potentially Preventable 30 Day Post-Discharge Readmission Measure for IRFs; and
- Potentially Preventable Within Stay Readmission Measures for IRFs.

IRFs would also be required to report on the following assessment-based measure in FY 2019 for FY 2020 payment determinations:

- Drug Regimen Review Conducted with Follow-Up for Identified Issues.