

April 9, 2021

Inpatient Psychiatric Facility PPS: Proposed Rule for FY 2022

The Centers for Medicare & Medicaid Services (CMS) April 7 issued its fiscal year (FY) 2022 [proposed rule](#) for the inpatient psychiatric facility (IPF) prospective payment system (PPS). CMS will accept comments on this rule through June 7. Key takeaways from the rule follow.

Proposed IPF PPS Payment Provisions

CMS proposes to increase IPF payments by a net 2.3%, equivalent to \$90 million, in FY 2022. The 2.3% payment update includes a 2.3% market basket update, a productivity cut of 0.2 percentage points, and a 0.2 percentage-point increase for the outlier fixed-dollar loss threshold amount.

Under these payment updates, the federal per diem base rate would be \$833.50 (an increase from the previous rate of \$815.22). The electroconvulsive therapy (ECT) payment per treatment would be \$358.84 (an increase from the previous rate of \$350.97). The labor-related share for FY 2022 is proposed to be 77.1%, based on the revised market basket, which is a very slight decrease from the previous labor-related share of 77.3%.

Proposed Updates to the IPF Teaching Policy

CMS proposes to update its policy regarding residents displaced by IPF closures to better align with the policy under the inpatient PPS. First, the agency would 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 would 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 would allow residents to continue training and arrange transfers while the program was winding down.

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

CMS notes that while the proposed IPF policy would be 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.

Proposed Changes to the IPF Quality Reporting Program (IPFQR)

Adoption of COVID-19 Vaccination among Health Care Personnel (HCP) Measure.

CMS proposes to adopt one new measure, beginning with the FY 2023 program year. The measure, also proposed in all other clinical settings, would assess the rate of COVID-19 vaccination among HCP. This process measure would evaluate the cumulative number of HCP eligible to work in the IPF for at least one day during the reporting period who received a complete vaccination course; it would exclude persons with contraindications to COVID-19 vaccination as described by the Centers for Disease Control and Prevention (CDC).

IPFs would 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 would submit this data for at least one week each month, and the CDC would calculate a summary measure of the data. This rate would 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." If finalized, IPFs would 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 proposes to adopt the FAPH measure beginning with the FY 2024 payment determination. This measure would determine 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 would be calculated: visits within seven days and another within 30 days of discharge. Because it is a claims-based measure, IPFs would not need to submit any data.

The FAPH measure is similar to the FUH measure, but includes patients with SUD or dementia and 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. The NQF declined to endorse the FAPH measure, although the FUH measure is endorsed by the NQF. CMS proposes to remove the FUH measure only if the FAPH is finalized for adoption.

Removal of Measures. CMS proposes to remove the following chart-abstracted measures from the IPQFR because the costs associated with the measures outweigh the benefits of their continued use in the program:

- 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)
- Timely Transmission of Transition Record (Discharges from an Inpatient Facility to Home/Self Care or Any Other Site of Care)

CMS has determined that there is little room for improvement in these measures as facility performance across the nation is consistently high; in addition, the agency is attempting to move away from burdensome chart-abstracted measures. If finalized, these measures would be removed from the IPFQR beginning with the FY 2024 payment determination.

Patient-level Data Submission. CMS proposes to adopt 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 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 proposes to transition incrementally to patient-level data submission. The agency would 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.

In addition, if the proposal is finalized, CMS seeks input on a potential data validation pilot for this patient-level data.

Request for Information

CMS is seeking comment on the strategies to address disparities in health care. Specifically, the agency is interested in feedback on stratifying IPFQR measures by dual eligibility, race and ethnicity, and co-occurring disability status; improving demographic data collection; and potentially creating a facility “equity score.”

Next Steps

The AHA will be submitting comments on CMS’ proposed rule. Contact Caitlin Gillooley, AHA’s senior associate director for quality and behavioral health policy, at 202-626-2267 or cgillooley@aha.org, with any questions.