

The FY 2010 Inpatient Prospective Payment System final rule

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On July 31, the Centers for Medicare & Medicaid Services (CMS) released the fiscal year (FY) 2010 Inpatient Prospective Payment System (IPPS) final rule. The rule addresses the financial effect of the payment system on hospitals, as well as the hospital-acquired conditions policy. It also covers a variety of changes and issues related to the Reporting of Hospital Quality Data for the Annual Hospital Payment Update (RHQDAPU) program, including the addition of new measures to the program, the retirement of measures from the program, and other changes. The College submitted comments to CMS related to the FY 2010 IPPS proposed rule, and CMS took our comments into consideration when preparing the final rule.

How will the final rule affect hospitals financially?

CMS estimates that the operating payments to all hospitals under the final rule will increase by \$1.73 billion, or 1.6 percent, in FY 2010, and that capital payments will increase by \$171 million, or 1.9 percent, when all of the changes are taken into account. The estimate of IPPS operating payments in FY 2010 does not include any projection of changes in hospital admissions or real case-mix intensity, which also would affect overall payments. These changes took effect October 1.

Did the final rule change the hospital-acquired conditions policy in any way?

No, the final rule did not modify the hospital-acquired conditions policy. Based on comments that were received from the College and other specialty societies, CMS did not add or remove categories of hospital-acquired conditions (HACs) at that time. Since October 1, 2008, an inpatient hospital discharge is not assigned to a higher-paying Medicare Severity-Diagnosis Related

Group (MS-DRG) if a selected HAC is undocumented as present on admission (POA). In other words, the case will be paid as though the secondary diagnosis was not present. The College strongly supports CMS' decision not to change the list of HACs or POA reporting at this time, and to use information gathered from experience with the HAC payment provision to inform maintenance of the HAC list, and consideration of future potential candidate HACs.

The current HAC list includes the following conditions:

- Foreign object retained after surgery
- Air embolism
- Blood incompatibility
- Pressure ulcer stages III and IV
- Certain falls and trauma
- Catheter-associated urinary tract infection
- Vascular catheter-associated infection
- Manifestations of poor glycemic control
- Surgical site infection, mediastinitis, following coronary artery bypass graft
 - Surgical site infection following certain orthopedic procedures
 - Surgical site infection following bariatric surgery for obesity
 - Deep vein thrombosis and pulmonary embolism following certain orthopedic procedures

What new quality measures did CMS add to the RHQDAPU program?

CMS added two new Surgical Care Infection Prevention (SCIP) measures and two new registry participation measures to the RHQDAPU program for payment in the year 2011. The SCIP measures include:

- SCIP-Infection-9: Postoperative urinary catheter removal on postoperative day 1 or 2
- SCIP-Infection-10: Perioperative temperature management

The registry participation measures include:

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- Participation in a systematic clinical database registry for stroke care
 - Participation in a systematic clinical database registry for nursing sensitive care

The initial submission deadline for reporting the SCIP measures is August 15, 2010, for data from the first calendar quarter of 2010. Reporting for the registry participation measures would begin in July 2010 for the period January 2 through June 30, 2010.

CMS indicated that the agency anticipates registry-based data collection to be one method, but not the exclusive method, for submitting data for quality measures. CMS also intends to expand the types of measures used beyond process of care measures to include an increased number of outcomes measures, efficiency measures, and patients' experience-of-care measures, while attempting to impose only a minimum burden on providers.

Did CMS retire any quality measures from the RHQDAPU program?

They did not retire any quality measures in this final rule. CMS solicited comments on whether any of the RHQDAPU program measures should be retired from the program, and the College's comments included a recommendation that the following (current) SCIP measures be retired:

- SCIP 4: Cardiac surgery patients with controlled 6 am postoperative blood glucose
- SCIP 2: Prophylactic antibiotic selection for surgical patients
- SCIP 6: Surgery patients with appropriate hair removal

CMS stated that the agency will consider these suggestions for measures to possibly retire in the future. CMS also indicated that high levels of unvarying care across hospitals should be among the factors considered in measure retirement because such measures do not improve care. The agency also indicated that quality measures should relate to high-quality care processes, be related to better patient outcomes, align with current clinical guidelines when possible, and not be overly burdensome to collect. CMS also believes that outcomes measures are useful, but that they do not render process measures incompatible or redundant, and that all measures should be evaluated for negative unintended consequences.

Did CMS make any additional changes to the quality measures in the RHQDAPU program?

CMS finalized a proposal to combine the following RHQDAPU program measures:

- PSI 04: Death among surgical patients with treatable serious complications
- Nursing sensitive—failure to rescue

The combined, new quality measure is titled "Death among surgical inpatients with serious, treatable complications." CMS finalized this combination in order to maintain consistency with the National Quality Forum's (NQF's) voluntary consensus standards. In May 2008, the NQF gave the two measures the same title: "Death among surgical inpatients with serious, treatable complications," with the same measure specifications.

Did CMS make any changes to MS-DRG classifications?

CMS finalized a proposal to move the procedure codes 80.05 and 80.06 (cases involving the removal of hip and knee prostheses) from their current assignments in the MS-DRGs 480, 481, and 482 and 495, 496, and 497 respectively, and assign them to MS-DRGs 463, 464, and 465. This proposal is based on a DRG reassignment request suggesting that these cases are significantly more expensive to treat than those in their current MS-DRG assignments.

To access the final rule, go to <http://edocket.access.gpo.gov/2009/pdf/E9-18663.pdf>. 