



## Highlights from the Medicare Program 2022 Proposed Rule for Acute Care Hospitals Inpatient Prospective Payment System

April 29, 2021

On April 27, 2021, the Centers for Medicare and Medicaid Services (CMS) issued the 2022 [Inpatient Prospective Payment System \(IPPS\) Proposed Rule](#) for Acute Care Hospitals. The IPPS Proposed Rule contains a number of proposals related to hospitals and the Medicare program—some payment-related and others policy-related. Several of the proposals are highlighted below.

### Price transparency

While CMS has not thrown out the entire price transparency rule, it is proposing to repeal the requirement it finalized last year that hospitals report the payer-specific rates for inpatient services they negotiate with Medicare Advantage plans on their cost reports. CMS estimates that repealing just this part of the price transparency requirement will reduce administrative burden on hospitals by approximately 64,000 hours.

### Graduate medical education

CMS is proposing to distribute 1,000 new Medicare-funded medical residency positions to qualifying hospitals, phasing in 200 slots per year over five years.

### Hospital payment increase

CMS proposed a 2.8 percent payment increase to hospitals that successfully participate in the Hospital Inpatient Quality Reporting program and are meaningful electronic health record (EHR) users.

### COVID-19 add-on payments

CMS proposing to extend the add-on payment for new COVID-19 treatments through the end of the year in which the current public health emergency ends.

#### Reporting staff vaccination rates for COVID-19

The IPPS Proposed Rule would require hospitals to report COVID-19 vaccination rates among their workers to contain the spread of the virus.

#### Modifications to the Promoting Interoperability program

CMS is proposing to modify the Promoting Interoperability program requirements for eligible hospitals and critical access hospitals to expand reporting within the Public Health and Clinical Data Exchange Objective. Specifically, under the IPPS Proposed Rule, hospitals would have to report on all four of the following measures: Syndromic Surveillance Reporting, Immunization Registry Reporting, Electronic Case Reporting and Electronic Reportable Laboratory Result Reporting. According to CMS, requiring hospitals to report these four measures would help to prepare public health agencies “for future health threats and a long-term COVID-19 pandemic recovery by strengthening three important public health functions: (1) early warning surveillance, (2) case surveillance, and (3) vaccine uptake.” CMS explained in the IPPS Proposed Rule that “[r]equiring these measures would enable nationwide syndromic surveillance for early warning of emerging outbreaks and threats; automated case and laboratory reporting for fast public health response; and local and national visibility on immunization uptake so [public health agencies] can tailor vaccine distribution strategies.”

#### Hospital Inpatient Quality Reporting (IQR) program

CMS is proposing to adopt five new IQR measures:

1. Maternal Morbidity Structural measure
2. Hybrid Hospital-Wide All-Cause Risk Standardized Mortality measure
3. COVID-19 Vaccination Coverage Among Healthcare Personnel measure
4. Hospital Harm-Severe Hypoglycemia electronic clinical quality measure (eCQM)
5. Hospital Harm-Severe Hyperglycemia eCQM

#### Achieving health equity

In the IPPS Proposed Rule, CMS stated the agency's commitment “to achieving equity in health care outcomes for our beneficiaries by supporting providers in quality improvement activities to reduce health inequities, enabling them to make more informed decisions, and promoting provider accountability for health care disparities.” CMS is seeking comments on ways to advance “health equity by improving data collection to better measure and analyze disparities across programs and policies. CMS is soliciting comments in a number of areas related to the topic of health equity, including:

- Future potential stratification of quality measure results by race and ethnicity
- Improving Demographic Data Collection
- Potential Creation of a Hospital Equity Score to Synthesize Results Across Multiple Social Risk Factors

CMS will accept comments on the IPPS Proposed Rule through June 28, 2021.

# Authors

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