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***An Analysis and Commentary on Federal Health Care Issues
by Larry Goldberg***

April 30, 2018

CMS Issues Proposed Inpatient Rehabilitation Facility FY 2019 PPS Update



The Centers for Medicare and Medicaid Services (CMS) have published a proposed rule to update the payment rates for inpatient rehabilitation facilities (IRFs) for Federal fiscal year (FY) 2019.

The 147-page document is scheduled for publication in the ***Federal Register*** on May 8th. A copy is currently available at: <https://s3.amazonaws.com/public-inspection.federalregister.gov/2018-08961.pdf>. This link will change upon publication. A comment period is provided that expires June 26th.

Comment

CMS says that “the overall economic impact of this final rule is an estimated increase in payments to IRFs in FY 2019, relative to FY 2018, of approximately \$75 million. There are 1,120 IRFs, of which approximately 55 percent are nonprofit facilities.

CMS spends a dozen pages repeating the history and development of the IRF PPS, nearly 10 percent of the proposal, itself.

Proposed FY 2019 Market Basket Update and Productivity Adjustment

CMS is proposing that the “2012-based IRF market basket” increase factor for FY 2019 would be 2.9 percent. This amount is reduced further by mandates of the **Affordable Care Act** (ACA); that is, reductions for productivity estimated at -0.8 percent and another reduction amount of -0.75 percent. Therefore, the proposed increase would be 1.35 percent.

For FY 2019, CMS proposes to use FY 2017 IRF claims and FY 2016 IRF cost report data.

Proposed FY 2019 Update to the Case-Mix Group (CMG) Relative Weights and Average Length of Stay Values

The table below contains the CMGs, the comorbidity tiers, the corresponding relative weights, and the average length of stay values for each CMG and tier for FY 2019. The average length of stay for each CMG is used to determine when an IRF discharge meets the definition of a short-stay transfer, which results in a per diem case level adjustment.

Proposed Relative Weights and Average Length of Stay Values for Case-Mix Groups

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0101	Stroke M>51.05	0.8486	0.7367	0.6761	0.6461	8	11	8	8
0102	Stroke M>44.45 and M<51.05 and C>18.5	1.0722	0.9308	0.8542	0.8164	11	12	10	10
0103	Stroke M>44.45 and M<51.05 and C<18.5	1.2409	1.0772	0.9886	0.9448	12	13	11	12
0104	Stroke M>38.85 and M<44.45	1.2952	1.1244	1.0319	0.9862	12	13	12	12
0105	Stroke M>34.25 and M<38.85	1.4885	1.2922	1.1859	1.1333	14	14	14	13
0106	Stroke M>30.05 and M<34.25	1.6651	1.4455	1.3266	1.2678	16	16	15	15
0107	Stroke M>26.15 and M<30.05	1.8665	1.6203	1.4871	1.4211	18	18	16	16
0108	Stroke M<26.15 and A>84.5	2.3075	2.0031	1.8384	1.7569	22	21	20	20
0109	Stroke M>22.35 and M<26.15 and A<84.5	2.0873	1.8120	1.6630	1.5893	19	19	18	18
0110	Stroke M<22.35 and A<84.5	2.7646	2.4000	2.2027	2.1049	26	26	23	23
0201	Traumatic brain injury M>53.35 and C>23.5	0.8228	0.6676	0.5960	0.5565	9	9	8	7
0202	Traumatic brain injury M>44.25 and M<53.35 and C>23.5	1.1423	0.9270	0.8274	0.7726	10	11	10	10

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0203	Traumatic brain injury M>44.25 and C<23.5	1.2601	1.0225	0.9128	0.8523	13	13	11	10
0204	Traumatic brain injury M>40.65 and M<44.25	1.3722	1.1135	0.9940	0.9281	13	13	11	11
0205	Traumatic brain injury M>28.75 and M<40.65	1.6209	1.3153	1.1741	1.0963	14	15	13	13
0206	Traumatic brain injury M>22.05 and M<28.75	1.9535	1.5852	1.4150	1.3212	18	18	15	15
0207	Traumatic brain injury M<22.05	2.4678	2.0025	1.7875	1.6691	31	22	19	18
0301	Non- traumatic brain injury M>41.05	1.1740	0.9497	0.8712	0.8146	11	11	10	10
0302	Non- traumatic brain injury M>35.05 and M<41.05	1.4336	1.1597	1.0639	0.9948	12	13	12	12
0303	Non- traumatic brain injury M>26.15 and M<35.05	1.6587	1.3419	1.2309	1.1510	15	14	13	13
0304	Non- traumatic brain injury M<26.15	2.1196	1.7147	1.5729	1.4708	20	19	16	16
0401	Traumatic spinal cord injury M>48.45	1.0031	0.8112	0.7498	0.6853	10	10	9	9

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CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0402	Traumatic spinal cord injury M>30.35 and M<48.45	1.4909	1.2056	1.1144	1.0186	14	13	13	12
0403	Traumatic spinal cord injury M>16.05 and M<30.35	2.3615	1.9096	1.7650	1.6133	25	22	19	18
0404	Traumatic spinal cord injury M<16.05 and A>63.5	4.0165	3.2479	3.0021	2.7440	45	36	31	30
0405	Traumatic spinal cord injury M<16.05 and A<63.5	3.5422	2.8643	2.6476	2.4199	26	33	27	26
0501	Non-traumatic spinal cord injury M>51.35	0.9175	0.7147	0.6615	0.6076	9	10	8	8
0502	Non- traumatic spinal cord injury M>40.15 and M<51.35	1.2206	0.9508	0.8800	0.8083	11	11	10	10
0503	Non- traumatic spinal cord injury M>31.25 and M<40.15	1.5123	1.1781	1.0903	1.0015	14	13	12	12
0504	Non- traumatic spinal cord injury M>29.25 and M<31.25	1.7404	1.3557	1.2548	1.1526	16	14	14	13

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0505	Non- traumatic spinal cord injury M>23.75 and M<29.25	1.9922	1.5519	1.4363	1.3194	18	17	16	15
0506	Non-traumatic spinal cord injury M<23.75	2.6966	2.1006	1.9441	1.7858	26	23	21	20
0601	Neurological M>47.75	1.0727	0.8220	0.7615	0.6941	9	9	9	8
0602	Neurological M>37.35 and M<47.75	1.3940	1.0681	0.9896	0.9019	12	12	11	10
0603	Neurological M>25.85 and M<37.35	1.7135	1.3130	1.2164	1.1087	14	14	13	13
0604	Neurological M<25.85	2.2159	1.6979	1.5730	1.4337	19	17	16	16
0701	Fracture of lower extremity M>42.15	1.0293	0.8388	0.7954	0.7177	10	10	9	9
0702	Fracture of lower extremity M>34.15 and M<42.15	1.3091	1.0668	1.0115	0.9128	12	12	12	11
0703	Fracture of lower extremity M>28.15 and M<34.15	1.5608	1.2720	1.2061	1.0883	15	14	14	13
0704	Fracture of lower extremity M<28.15	1.9933	1.6244	1.5402	1.3899	18	18	17	16
0801	Replacement of lower extremity joint M>49.55	0.8362	0.6820	0.6159	0.5727	8	8	8	7

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
0802	Replacement of lower extremity joint M>37.05 and M<49.55	1.0782	0.8793	0.7941	0.7384	11	9	9	9
0803	Replacement of lower extremity joint M>28.65 and M<37.05 and A>83.5	1.4172	1.1557	1.0438	0.9706	13	13	12	11
0804	Replacement of lower extremity joint M>28.65 and M<37.05 and A<83.5	1.2741	1.0390	0.9384	0.8726	12	12	11	10
0805	Replacement of lower extremity joint M>22.05 and M<28.65	1.5185	1.2383	1.1184	1.0399	14	14	12	12
0806	Replacement of lower extremity Joint M<22.05	1.8736	1.5279	1.3800	1.2832	17	17	15	14
0901	Other orthopedic M>44.75	1.0336	0.8091	0.7490	0.6903	11	10	9	8
0902	Other orthopedic M>34.35 and M<44.75	1.3077	1.0236	0.9476	0.8734	12	12	11	10
0903	Other orthopedic M>24.15 and M<34.35	1.6323	1.2777	1.1828	1.0902	14	14	13	12
0904	Other orthopedic M<24.15	2.0449	1.6006	1.4818	1.3657	17	17	16	15

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
1001	Amputation, lower extremity M>47.65	1.0914	0.9202	0.8209	0.7566	11	10	10	9
1002	Amputation, lower extremity M>36.25 and M<47.65	1.3986	1.1792	1.0520	0.9696	13	13	12	12
1003	Amputation, lower extremity M<36.25	2.0249	1.7073	1.5231	1.4038	18	18	16	15
1101	Amputation, non-lower extremity M>36.35	1.3802	0.9958	0.9958	0.8947	12	11	11	11
1102	Amputation, non-lower extremity M<36.35	1.9397	1.3995	1.3995	1.2574	17	14	15	13
1201	Osteoarthritis M>37.65	1.1131	0.9558	0.8693	0.7900	11	10	10	9
1202	Osteoarthritis M>30.75 and M<37.65	1.4086	1.2096	1.1001	0.9998	13	13	12	12
1203	Osteoarthritis M<30.75	1.7059	1.4648	1.3323	1.2108	15	16	15	14
1301	Rheumatoid, other arthritis M>36.35	1.0974	0.9616	0.8870	0.8378	10	10	10	10
1302	Rheumatoid, other arthritis M>26.15 and M<36.35	1.4376	1.2598	1.1620	1.0976	12	13	13	13
1303	Rheumatoid, other arthritis M<26.15	1.7313	1.5171	1.3994	1.3218	14	17	15	15
1401	Cardiac M>48.85	0.9240	0.7515	0.6781	0.6099	9	8	8	7
1402	Cardiac M>38.55 and M<48.85	1.2392	1.0078	0.9093	0.8180	11	11	10	10

WASHINGTON

perspectives

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		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
1403	Cardiac M>31.15 and M<38.55	1.4776	1.2017	1.0843	0.9753	13	13	12	11
1404	Cardiac M<31.15	1.8592	1.5120	1.3643	1.2272	17	16	14	13
1501	Pulmonary M>49.25	1.0096	0.8767	0.7953	0.7609	9	10	9	8
1502	Pulmonary M>39.05 and M<49.25	1.2873	1.1178	1.0140	0.9702	11	11	10	11
1503	Pulmonary M>29.15 and M<39.05	1.5272	1.3262	1.2030	1.1511	14	13	12	12
1504	Pulmonary M<29.15	1.9278	1.6740	1.5186	1.4530	19	16	15	14
1601	Pain syndrome M>37.15	1.2093	0.9269	0.8786	0.7937	9	11	10	10
1602	Pain syndrome M>26.75 and M<37.15	1.5344	1.1760	1.1148	1.0070	11	12	12	12
1603	Pain syndrome M<26.75	1.8652	1.4295	1.3551	1.2241	12	16	15	14
1701	Major multiple trauma without brain or spinal cord injury M>39.25	1.2867	0.9776	0.9126	0.8224	14	11	11	10
1702	Major multiple trauma without brain or spinal cord injury M>31.05 and M<39.25	1.5500	1.1777	1.0993	0.9907	13	14	12	12
1703	Major multiple trauma without brain or spinal cord injury M>25.55 and M<31.05	1.8117	1.3765	1.2849	1.1580	15	15	14	13

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
1704	Major multiple trauma without brain or spinal cord injury M<25.55	2.3035	1.7502	1.6337	1.4724	20	19	17	16
1801	Major multiple trauma with brain or spinal cord injury M>40.85	1.1210	1.0101	0.8484	0.7937	12	11	10	10
1802	Major multiple trauma with brain or spinal cord injury M>23.05 and M<40.85	1.6611	1.4967	1.2572	1.1761	16	17	14	13
1803	Major multiple trauma with brain or spinal cord injury M<23.05	2.5942	2.3375	1.9634	1.8368	30	25	20	20
1901	Guillian Barre M>35.95	1.4128	1.0101	0.9494	0.9109	15	13	11	11
1902	Guillian Barre M>18.05 and M<35.95	2.4873	1.7782	1.6714	1.6037	24	21	18	18
1903	Guillian Barre M<18.05	4.2909	3.0677	2.8833	2.7665	46	31	30	30
2001	Miscellaneous M>49.15	0.9692	0.7714	0.7164	0.6501	9	9	8	8
2002	Miscellaneous M>38.75 and M<49.15	1.2596	1.0025	0.9311	0.8449	11	11	10	10
2003	Miscellaneous M>27.85 and M<38.75	1.5478	1.2319	1.1442	1.0382	14	14	12	12
2004	Miscellaneous M<27.85	1.9731	1.5704	1.4585	1.3235	18	17	15	15
2101	Burns M>0	1.9150	1.5473	1.5040	1.3189	22	16	16	14
5001	Short-stay cases, length of stay is 3 days or fewer				0.1601				2

WASHINGTON

perspectives

CMG	CMG Description (M=motor, C=cognitive, A=age)	Relative Weight				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidities Tier	Tier 1	Tier 2	Tier 3	No Comorbidities Tier
5101	Expired, orthopedic, length of stay is 13 days or fewer				0.7561				8
5102	Expired, orthopedic, length of stay is 14 days or more				1.6523				18
5103	Expired, not orthopedic, length of stay is 15 days or fewer				0.8114				8
5104	Expired, not orthopedic, length of stay is 16 days or more				2.1193				21

Proposed Labor-Related Share for FY 2019

The proposed FY 2019 labor-related share is **70.6** percent. By comparison, the current FY 2018 labor-related share is 70.7 percent.

Proposed Wage Adjustment for FY 2019

For FY 2019, CMS proposes to continue using OMB delineations to calculate the area wage indexes.

The proposed wage index applicable to FY 2019 is available on the CMS website at:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/InpatientRehabFacPPS/Data-Files.html>. Table A is for urban areas, and Table B is for rural areas.

Description of the Proposed IRF Standard Payment Conversion Factor and Payment Rates for FY 2019

Calculations to Determine the Proposed FY 2019 Standard Payment Conversion Factor

Explanation for Adjustment	Calculations
Standard Payment Conversion Factor for FY 2018	\$15,838
Market Basket Increase Factor for FY 2019 (2.9 percent), reduced by 0.8 percentage point for the productivity adjustment as required by section 1886(j)(3)(C)(ii)(I) of the Act, and reduced by 0.75 percentage point in accordance with sections 1886(j)(3)(C)(ii)(II) and 1886(j)(3)(D)(v) of the Act	x 1.0135
Budget Neutrality Factor for the Wage Index and Labor-Related Share	x 1.0000
Budget Neutrality Factor for the Revisions to the CMG Relative Weights	x 0.9980
Proposed FY 2019 Standard Payment Conversion Factor	= \$16,020

The CMG relative weights (shown above) are multiplied the proposed FY 2019 standard payment conversion factor (\$16,020), resulting in unadjusted IRF prospective payment rates for FY 2019 as shown below.

Proposed FY 2019 Payment Rates

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0101	\$ 13,594.57	\$ 11,801.93	\$ 10,831.12	\$ 10,350.52
0102	\$ 17,176.64	\$ 14,911.42	\$ 13,684.28	\$ 13,078.73
0103	\$ 19,879.22	\$ 17,256.74	\$ 15,837.37	\$ 15,135.70
0104	\$ 20,749.10	\$ 18,012.89	\$ 16,531.04	\$ 15,798.92
0105	\$ 23,845.77	\$ 20,701.04	\$ 18,998.12	\$ 18,155.47
0106	\$ 26,674.90	\$ 23,156.91	\$ 21,252.13	\$ 20,310.16
0107	\$ 29,901.33	\$ 25,957.21	\$ 23,823.34	\$ 22,766.02
0108	\$ 36,966.15	\$ 32,089.66	\$ 29,451.17	\$ 28,145.54
0109	\$ 33,438.55	\$ 29,028.24	\$ 26,641.26	\$ 25,460.59
0110	\$ 44,288.89	\$ 38,448.00	\$ 35,287.25	\$ 33,720.50
0201	\$ 13,181.26	\$ 10,694.95	\$ 9,547.92	\$ 8,915.13
0202	\$ 18,299.65	\$ 14,850.54	\$ 13,254.95	\$ 12,377.05
0203	\$ 20,186.80	\$ 16,380.45	\$ 14,623.06	\$ 13,653.85
0204	\$ 21,982.64	\$ 17,838.27	\$ 15,923.88	\$ 14,868.16
0205	\$ 25,966.82	\$ 21,071.11	\$ 18,809.08	\$ 17,562.73
0206	\$ 31,295.07	\$ 25,394.90	\$ 22,668.30	\$ 21,165.62
0207	\$ 39,534.16	\$ 32,080.05	\$ 28,635.75	\$ 26,738.98
0301	\$ 18,807.48	\$ 15,214.19	\$ 13,956.62	\$ 13,049.89
0302	\$ 22,966.27	\$ 18,578.39	\$ 17,043.68	\$ 15,936.70
0303	\$ 26,572.37	\$ 21,497.24	\$ 19,719.02	\$ 18,439.02
0304	\$ 33,955.99	\$ 27,469.49	\$ 25,197.86	\$ 23,562.22
0401	\$ 16,069.66	\$ 12,995.42	\$ 12,011.80	\$ 10,978.51
0402	\$ 23,884.22	\$ 19,313.71	\$ 17,852.69	\$ 16,317.97
0403	\$ 37,831.23	\$ 30,591.79	\$ 28,275.30	\$ 25,845.07
0404	\$ 64,344.33	\$ 52,031.36	\$ 48,093.64	\$ 43,958.88
0405	\$ 56,746.04	\$ 45,886.09	\$ 42,414.55	\$ 38,766.80
0501	\$ 14,698.35	\$ 11,449.49	\$ 10,597.23	\$ 9,733.75

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
0502	\$ 19,554.01	\$ 15,231.82	\$ 14,097.60	\$ 12,948.97
0503	\$ 24,227.05	\$ 18,873.16	\$ 17,466.61	\$ 16,044.03
0504	\$ 27,881.21	\$ 21,718.31	\$ 20,101.90	\$ 18,464.65
0505	\$ 31,915.04	\$ 24,861.44	\$ 23,009.53	\$ 21,136.79
0506	\$ 43,199.53	\$ 33,651.61	\$ 31,144.48	\$ 28,608.52
0601	\$ 17,184.65	\$ 13,168.44	\$ 12,199.23	\$ 11,119.48
0602	\$ 22,331.88	\$ 17,110.96	\$ 15,853.39	\$ 14,448.44
0603	\$ 27,450.27	\$ 21,034.26	\$ 19,486.73	\$ 17,761.37
0604	\$ 35,498.72	\$ 27,200.36	\$ 25,199.46	\$ 22,967.87
0701	\$ 16,489.39	\$ 13,437.58	\$ 12,742.31	\$ 11,497.55
0702	\$ 20,971.78	\$ 17,090.14	\$ 16,204.23	\$ 14,623.06
0703	\$ 25,004.02	\$ 20,377.44	\$ 19,321.72	\$ 17,434.57
0704	\$ 31,932.67	\$ 26,022.89	\$ 24,674.00	\$ 22,266.20
0801	\$ 13,395.92	\$ 10,925.64	\$ 9,866.72	\$ 9,174.65
0802	\$ 17,272.76	\$ 14,086.39	\$ 12,721.48	\$ 11,829.17
0803	\$ 22,703.54	\$ 18,514.31	\$ 16,721.68	\$ 15,549.01
0804	\$ 20,411.08	\$ 16,644.78	\$ 15,033.17	\$ 13,979.05
0805	\$ 24,326.37	\$ 19,837.57	\$ 17,916.77	\$ 16,659.20
0806	\$ 30,015.07	\$ 24,476.96	\$ 22,107.60	\$ 20,556.86
0901	\$ 16,558.27	\$ 12,961.78	\$ 11,998.98	\$ 11,058.61
0902	\$ 20,949.35	\$ 16,398.07	\$ 15,180.55	\$ 13,991.87
0903	\$ 26,149.45	\$ 20,468.75	\$ 18,948.46	\$ 17,465.00
0904	\$ 32,759.30	\$ 25,641.61	\$ 23,738.44	\$ 21,878.51
1001	\$ 17,484.23	\$ 14,741.60	\$ 13,150.82	\$ 12,120.73
1002	\$ 22,405.57	\$ 18,890.78	\$ 16,853.04	\$ 15,532.99
1003	\$ 32,438.90	\$ 27,350.95	\$ 24,400.06	\$ 22,488.88
1101	\$ 22,110.80	\$ 15,952.72	\$ 15,952.72	\$ 14,333.09
1102	\$ 31,073.99	\$ 22,419.99	\$ 22,419.99	\$ 20,143.55
1201	\$ 17,831.86	\$ 15,311.92	\$ 13,926.19	\$ 12,655.80
1202	\$ 22,565.77	\$ 19,377.79	\$ 17,623.60	\$ 16,016.80
1203	\$ 27,328.52	\$ 23,466.10	\$ 21,343.45	\$ 19,397.02
1301	\$ 17,580.35	\$ 15,404.83	\$ 14,209.74	\$ 13,421.56
1302	\$ 23,030.35	\$ 20,182.00	\$ 18,615.24	\$ 17,583.55
1303	\$ 27,735.43	\$ 24,303.94	\$ 22,418.39	\$ 21,175.24
1401	\$ 14,802.48	\$ 12,039.03	\$ 10,863.16	\$ 9,770.60
1402	\$ 19,851.98	\$ 16,144.96	\$ 14,566.99	\$ 13,104.36
1403	\$ 23,671.15	\$ 19,251.23	\$ 17,370.49	\$ 15,624.31
1404	\$ 29,784.38	\$ 24,222.24	\$ 21,856.09	\$ 19,659.74
1501	\$ 16,173.79	\$ 14,044.73	\$ 12,740.71	\$ 12,189.62
1502	\$ 20,622.55	\$ 17,907.16	\$ 16,244.28	\$ 15,542.60
1503	\$ 24,465.74	\$ 21,245.72	\$ 19,272.06	\$ 18,440.62
1504	\$ 30,883.36	\$ 26,817.48	\$ 24,327.97	\$ 23,277.06
1601	\$ 19,372.99	\$ 14,848.94	\$ 14,075.17	\$ 12,715.07

CMG	Payment Rate Tier 1	Payment Rate Tier 2	Payment Rate Tier 3	Payment Rate No Comorbidity
1602	\$ 24,581.09	\$ 18,839.52	\$ 17,859.10	\$ 16,132.14
1603	\$ 29,880.50	\$ 22,900.59	\$ 21,708.70	\$ 19,610.08
1701	\$ 20,612.93	\$ 15,661.15	\$ 14,619.85	\$ 13,174.85
1702	\$ 24,831.00	\$ 18,866.75	\$ 17,610.79	\$ 15,871.01
1703	\$ 29,023.43	\$ 22,051.53	\$ 20,584.10	\$ 18,551.16
1704	\$ 36,902.07	\$ 28,038.20	\$ 26,171.87	\$ 23,587.85
1801	\$ 17,958.42	\$ 16,181.80	\$ 13,591.37	\$ 12,715.07
1802	\$ 26,610.82	\$ 23,977.13	\$ 20,140.34	\$ 18,841.12
1803	\$ 41,559.08	\$ 37,446.75	\$ 31,453.67	\$ 29,425.54
1901	\$ 22,633.06	\$ 16,181.80	\$ 15,209.39	\$ 14,592.62
1902	\$ 39,846.55	\$ 28,486.76	\$ 26,775.83	\$ 25,691.27
1903	\$ 68,740.22	\$ 49,144.55	\$ 46,190.47	\$ 44,319.33
2001	\$ 15,526.58	\$ 12,357.83	\$ 11,476.73	\$ 10,414.60
2002	\$ 20,178.79	\$ 16,060.05	\$ 14,916.22	\$ 13,535.30
2003	\$ 24,795.76	\$ 19,735.04	\$ 18,330.08	\$ 16,631.96
2004	\$ 31,609.06	\$ 25,157.81	\$ 23,365.17	\$ 21,202.47
2101	\$ 30,678.30	\$ 24,787.75	\$ 24,094.08	\$ 21,128.78
5001				\$ 2,564.80
5101				\$ 12,112.72
5102				\$ 26,469.85
5103				\$ 12,998.63
5104				\$ 33,951.19

Proposed Update to Payments for High-Cost Outliers under the IRF PPS for FY 2019

CMS proposes to update the outlier threshold amount from \$8,679 for FY 2018 to **\$10,509** for FY 2019 to maintain estimated outlier payments at approximately 3.0 percent of total estimated aggregate IRF payments for FY 2019.

CMS says that based on an analysis of the preliminary data used for the proposed rule, the agency estimates that IRF outlier payments as a percentage of total estimated payments would be approximately 3.4 percent in FY 2018.

Proposed Removal of the FIM™ Instrument and Associated Function Modifiers from the IRF-PAI Beginning with FY 2020 and Proposed Refinements to the Case-Mix Classification System Beginning with FY 2020

The IRF-PAI currently in use under the IRF PPS (IRF-PAI version 2.0) was originally developed based on a modified version of the Uniform Data System for medical rehabilitation (UDSmr) patient assessment instrument, commonly referred to as the FIM™. Item 39 of the IRF-PAI version 2.0 contains 18 of the FIM™ data elements and the FIM™ measurement scale that are used to score both motor and cognitive functioning at admission and discharge. The FIM™ data elements and measurement scale are collectively referred to as the FIM™ instrument. Additionally, items 29 through 38 of the IRF-PAI version 2.0 contain Function Modifiers associated with the FIM™ instrument. The FIM™ instrument and associated Function Modifiers are currently used to assign a patient into a CMG for payment purposes under the IRF PPS based on the patient's ability to perform specific activities of daily living and, in some cases, the patient's cognitive ability.

CMS is proposing to remove the FIM™ instrument and associated Function Modifiers from the IRF-PAI beginning with FY 2020.

Proposed Refinements to the Case-Mix Classification System Beginning with FY 2020

CMS is proposing to replace its use of the FIM™ items in assigning CMGs with use of data items located in the Quality Indicators section of the IRF-PAI. CMS also proposes to update the functional status scores used in the case-mix system and to revise the CMGs and update the relative weights and average length of stay values associated with the revised CMGs.

CMS is proposing to make these changes effective beginning with FY 2020, that is, for discharges occurring on or after October 1, 2019, as they require extensive systems changes.

CMS says it believes it is appropriate to utilize the admission data items located in the Quality Indicators section of the IRF-PAI in place of the FIM™ items to determine functional status, as the data items located in the Quality Indicators section are now available and collected by all IRF providers for purposes of the IRF QRP.

Proposed Refinements to the CMGs Beginning with FY 2020

CMS is proposing to implement revisions to the CMGs in a budget-neutral manner. The current CMGs were derived through a Classification and Regression Trees (CART) analysis that incorporated a patient's functional status (motor score and cognitive score) and age into the construction of the CMGs.

To develop CMGs based on the data items from the Quality Indicators section of the IRF-PAI, Research Triangle Institute, International (RTI) used CART analysis to divide patients into payment groups based on similarities in their clinical characteristics and relative costs.

The table below contains the proposed new CMGs and their respective descriptions, including the functional status scores and age that CMS is proposing to use to classify discharges into CMGs.

Proposed Revised Relative Weights and Average Length of Stay Values for the Proposed Case-Mix Groups

CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
0101	Stroke M >= 77	1.0570	0.9232	0.8492	0.8050	11	11	10	10
0102	Stroke M < 77 and M >= 68	1.3370	1.1678	1.0741	1.0182	13	13	12	12
0103	Stroke M < 68 and M >= 55	1.6848	1.4715	1.3535	1.2831	15	16	15	15
0104	Stroke M < 55 and M >= 47	2.1484	1.8764	1.7260	1.6361	19	20	19	19
0105	Stroke M < 47 and A >= 85	2.4137	2.1081	1.9391	1.8382	22	22	21	20
0106	Stroke M < 47 and A < 85	2.7956	2.4417	2.2460	2.1291	26	27	24	23
0201	Traumatic Brain Injury M >= 73	1.2418	1.0426	0.9376	0.8708	12	12	11	11

CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
0202	Traumatic Brain Injury M < 73 and M >= 64	1.4929	1.2534	1.1272	1.0468	14	14	13	12
0203	Traumatic Brain Injury M < 64 and M >= 51	1.7699	1.4859	1.3363	1.2411	16	17	15	14
0204	Traumatic Brain Injury M < 51 and M >= 36	2.1753	1.8263	1.6424	1.5254	21	20	18	17
0205	Traumatic Brain Injury M < 36	2.6959	2.2634	2.0355	1.8904	36	24	22	19
0301	Non-Traumatic Brain Injury M >= 70	1.2192	1.0096	0.9348	0.8735	11	11	11	10
0302	Non-Traumatic Brain Injury M < 70 and M >= 57	1.5403	1.2755	1.1810	1.1034	14	14	13	13
0303	Non-Traumatic Brain Injury M < 57 and M >= 45	1.8496	1.5316	1.4182	1.3251	17	16	15	15
0304	Non-Traumatic Brain Injury M < 45 and A >= 79	2.0666	1.7113	1.5846	1.4806	20	18	17	16
0305	Non-Traumatic Brain Injury M < 45 and A < 79	2.2755	1.8843	1.7447	1.6302	21	21	18	17
0401	Traumatic Spinal Cord Injury M >= 64	1.2999	1.0952	1.0122	0.9370	13	12	12	11
0402	Traumatic Spinal Cord Injury M < 64 and M >= 57	1.6630	1.4011	1.2949	1.1987	15	15	15	14
0403	Traumatic Spinal Cord Injury M < 57 and M >= 46	1.9672	1.6574	1.5318	1.4180	15	18	17	16
0404	Traumatic Spinal Cord Injury M < 46 and M >= 36	2.6209	2.2082	2.0408	1.8892	25	24	23	21

CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
0405	Traumatic Spinal Cord Injury M < 36 and A < 63	3.1923	2.6895	2.4857	2.3010	34	29	27	24
0406	Traumatic Spinal Cord Injury M < 36 and A >= 63	3.6963	3.1142	2.8782	2.6643	46	34	28	29
0501	Non-Traumatic Spinal Cord Injury M >= 75	1.1291	0.9068	0.8382	0.7642	10	11	10	9
0502	Non-Traumatic Spinal Cord Injury M < 75 and M >= 63	1.4096	1.1322	1.0464	0.9541	14	13	12	11
0503	Non-Traumatic Spinal Cord Injury M < 63 and M >= 52	1.7905	1.4381	1.3292	1.2119	16	15	15	14
0504	Non-Traumatic Spinal Cord Injury M < 52 and M >= 44	2.2191	1.7823	1.6473	1.5020	21	19	18	17
0505	Non-Traumatic Spinal Cord Injury M < 44	2.8377	2.2792	2.1065	1.9206	27	24	22	21
0601	Neurologica I M >= 69	1.3205	1.0500	0.9795	0.8873	12	12	11	10
0602	Neurologica I M < 69 and M >= 57	1.6324	1.2981	1.2109	1.0969	14	14	13	13
0603	Neurologica I M < 57 and M >= 47	1.9170	1.5244	1.4220	1.2882	16	16	15	14
0604	Neurologica I M < 47	2.2218	1.7667	1.6481	1.4929	20	18	17	16
0701	Fracture of Lower Extremity M >= 67	1.1960	0.9851	0.9487	0.8595	11	11	11	10
0702	Fracture of Lower Extremity M < 67 and M >= 55	1.5308	1.2608	1.2142	1.1001	14	14	14	13

CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
0703	Fracture of Lower Extremity M < 55 and M >= 45	1.8510	1.5245	1.4682	1.3302	17	17	16	15
0704	Fracture of Lower Extremity M < 45	2.0790	1.7124	1.6491	1.4941	18	18	18	17
0801	Replacement of Lower Extremity Joint M >= 67	1.0475	0.8892	0.8044	0.7437	10	10	9	9
0802	Replacement of Lower Extremity Joint M < 67 and M >= 56	1.2925	1.0972	0.9926	0.9176	12	12	11	11
0803	Replacement of Lower Extremity Joint M < 56 and M >= 47	1.5469	1.3132	1.1880	1.0982	15	15	13	12
0804	Replacement of Lower Extremity Joint M < 47	1.8517	1.5719	1.4220	1.3146	16	17	15	15
0901	Other Orthopedic M >= 69	1.1749	0.9376	0.8792	0.8083	11	11	10	10
0902	Other Orthopedic M < 69 and M >= 55	1.5103	1.2052	1.1302	1.0390	13	14	13	12
0903	Other Orthopedic M < 55 and M >= 47	1.8117	1.4457	1.3557	1.2463	15	16	15	14
0904	Other Orthopedic M < 47	2.0393	1.6273	1.5261	1.4029	17	17	16	16
1001	Amputation Lower Extremity M >= 67	1.3231	1.1340	1.0276	0.9487	12	13	12	11
1002	Amputation Lower Extremity M < 67 and M >= 59	1.6372	1.4032	1.2715	1.1739	15	15	14	14
1003	Amputation Lower Extremity M < 59 and M >= 49	1.8961	1.6251	1.4726	1.3596	17	16	16	15

CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
1004	Amputation Lower Extremity M < 49	2.1617	1.8527	1.6788	1.5500	19	20	18	17
1101	Amputation Non-Lower Extremity	1.8322	1.3022	1.3022	1.0585	15	14	13	12
1201	Osteoarthritis M >= 65	1.3071	1.0757	0.9575	0.8777	11	12	11	11
1202	Osteoarthritis M < 65 and M >= 49	1.6787	1.3816	1.2297	1.1273	14	15	14	13
1203	Osteoarthritis M < 49	1.9145	1.5756	1.4024	1.2857	16	16	16	15
1301	Rheumatoid Other Arthritis M >= 69	1.1111	0.9753	0.9076	0.8570	10	11	10	11
1302	Rheumatoid Other Arthritis M < 69 and M >= 58	1.3176	1.1567	1.0764	1.0164	12	13	12	12
1303	Rheumatoid Other Arthritis M < 58 and A >= 72	1.6691	1.4652	1.3635	1.2875	13	17	14	14
1304	Rheumatoid Other Arthritis M < 58 and A < 72	1.7642	1.5487	1.4412	1.3609	14	17	15	15
1401	Cardiac M >= 70	1.1839	0.9920	0.8991	0.8023	11	11	10	9
1402	Cardiac M < 70 and M >= 59	1.4635	1.2263	1.1115	0.9918	13	13	12	11
1403	Cardiac M < 59 and M >= 51	1.7034	1.4272	1.2936	1.1544	15	15	14	13
1404	Cardiac M < 51	1.9704	1.6510	1.4964	1.3353	18	17	16	14
1501	Pulmonary M >= 84	1.0149	0.9214	0.8346	0.7907	7	10	9	9
1502	Pulmonary M < 84 and M >= 74	1.2323	1.1187	1.0133	0.9601	11	12	11	10
1503	Pulmonary M < 74 and M >= 59	1.4557	1.3215	1.1970	1.1341	13	13	12	12
1504	Pulmonary M < 59 and M >= 46	1.7464	1.5853	1.4360	1.3606	15	15	14	14
1505	Pulmonary M < 46	2.0273	1.8404	1.6670	1.5794	20	17	15	16

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CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
1601	Pain Syndrome M >= 70	1.2293	0.9242	0.8776	0.7774	10	11	10	10
1602	Pain Syndrome M < 70 and M >= 61	1.5216	1.1439	1.0863	0.9622	12	12	12	11
1603	Pain Syndrome M < 61	1.8391	1.3826	1.3129	1.1630	13	15	14	13
1701	Major Multiple Trauma Without Brain or Spinal Cord Injury M >=62	1.4355	1.1154	1.0668	0.9504	14	13	12	11
1702	Major Multiple Trauma Without Brain or Spinal Cord Injury M < 62 and M >= 51	1.7939	1.3938	1.3330	1.1876	16	15	15	14
1703	Major Multiple Trauma Without Brain or Spinal Cord Injury M < 51 and M >= 47	2.0059	1.5585	1.4906	1.3280	17	16	16	15
1704	Major Multiple Trauma Without Brain or Spinal Cord Injury M < 47 and M >= 39	2.1848	1.6975	1.6236	1.4465	19	18	17	16
1705	Major Multiple Trauma Without Brain or Spinal Cord Injury M < 39	2.4250	1.8841	1.8020	1.6055	21	21	19	17
1801	Major Multiple Trauma With Brain or Spinal Cord Injury M >= 72	1.1980	1.0351	0.8752	0.8233	13	11	10	10
1802	Major Multiple Trauma With Brain or Spinal Cord Injury M < 72 and M >= 58	1.5335	1.3250	1.1204	1.0539	14	16	12	12

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CMG	CMG Description (M=motor, A=age)	Relative Weights				Average Length of Stay			
		Tier 1	Tier 2	Tier 3	No Comorbidity Tier	Tier 1	Tier 2	Tier 3	No Comorbidity Tier
1803	Major Multiple Trauma With Brain or Spinal Cord Injury M < 58 and M >= 42	2.0608	1.7806	1.5056	1.4162	23	19	16	16
1804	Major Multiple Trauma With Brain or Spinal Cord Injury M < 42	2.9220	2.5248	2.1348	2.0081	34	25	23	22
1901	Guillain-Barré M >= 54	1.5211	1.2331	1.1228	1.0834	16	15	12	13
1902	Guillain-Barré M < 54	3.4558	2.8014	2.5507	2.4613	39	28	27	27
2001	Miscellaneous M >= 70	1.2339	1.0047	0.9349	0.8447	11	11	10	10
2002	Miscellaneous M < 70 and M >= 58	1.5240	1.2410	1.1547	1.0433	14	13	12	12
2003	Miscellaneous M < 58 and M >= 49	1.7837	1.4525	1.3515	1.2211	16	15	14	14
2004	Miscellaneous M < 49	2.0373	1.6589	1.5436	1.3947	19	17	16	15
2101	Burns	1.9058	1.5390	1.5118	1.3015	22	16	16	14
5001	Short-stay cases, length of stay is 3 days or fewer	-	-	-	0.1801	-	-	-	3
5101	Expired, orthopedic, length of stay is 13 days or fewer	-	-	-	0.6240	-	-	-	7
5102	Expired, orthopedic, length of stay is 14 days or more	-	-	-	1.7071	-	-	-	18
5103	Expired, not orthopedic, length of stay is 15 days or fewer	-	-	-	0.6795	-	-	-	7
5104	Expired, not orthopedic, length of stay is 16 days or more	-	-	-	2.1069	-	-	-	21

The following would be the most significant differences between the current CMGs and the proposed revised CMGs:

- There would be fewer CMGs than before (88 instead of 92 currently).
- There would be fewer CMGs in RICs 1, 2, 5, 8, 11, and 19, while there would be more CMGs in RICs 3, 4, 10, 13, 15, 17, and 18.
- A patient's age would affect assignment for CMGs in RICs 1, 3, 4, and 13 whereas it currently affects assignment for CMGs in RICs 1, 4, and 8.

Proposed Revisions to Certain IRF Coverage Requirements Beginning with FY 2019

CMS is proposing to modify §412.622(a)(3)(iv) the postadmission physician evaluation required under §412.622(a)(4)(ii) to count as one of the face-to-face physician visits required under §412.622(a)(3)(iv) beginning with FY 2019, that is, for all IRF discharges beginning on or after October 1, 2018. To clarify, CMS is not proposing to modify §412.622(a)(4)(ii), including the 24-hour timeframe within which the post-admission physician evaluation requirement must be completed.

CMS is proposing to amend §412.622(a)(5)(A) to expressly provide that the rehabilitation physician may lead the interdisciplinary meeting remotely without any additional documentation requirements.

CMS is proposing to amend §412.606(a) to remove the admission order documentation requirement beginning with FY 2019, that is, for all IRF discharges beginning on or after October 1, 2018. IRFs would continue to meet the requirements at §§482.12(c), 482.24(c), and 412.3.

Changes to the IRF Quality Reporting Program (QRP)

The IRF QRP currently has 18 currently adopted measures, as outlined in the table below.

Quality Measures Currently Adopted for the IRF QRP

Short Name	Measure Name & Data Source
IRF-PAI	
Pressure Ulcers	Percent of Residents or Patients with Pressure Ulcers That Are New or Worsened (Short Stay) (NQF #0678)
Patient Influenza Vaccine	Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short Stay) (NQF #0680)
Application of Falls	Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay) (NQF #0674)*
Application of Functional Assessment	Application of Percent of LTCH Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function (NQF #2631)*
Change in Self-Care	IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients (NQF #2633)**
Change in Mobility	IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation Patients (NQF #2634)**
Discharge Self-Care Score	IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients (NQF #2635)**
Discharge Mobility Score	IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients (NQF #2636)**
DRR	Drug Regimen Review Conducted with Follow-Up for Identified Issues—PAC IRF QRP*
NHSN	
CAUTI	National Healthcare Safety Network (NHSN) Catheter-Associated Urinary Tract Infection (CAUTI) Outcome Measure (NQF #0138)

Short Name	Measure Name & Data Source
MRSA	NHSN Facility-Wide Inpatient Hospital-Onset Methicillin-Resistant <u>Staphylococcus aureus</u> (MRSA) Bacteremia Outcome Measure (NQF #1716)
CDI	NHSN Facility-wide Inpatient Hospital-Onset <u>Clostridium difficile</u> Infection (CDI) Outcome Measure (NQF #1717)
HCP Influenza Vaccine	Influenza Vaccination Coverage among Healthcare Personnel (NQF #0431)
Claims-based	
All-Cause Readmissions	All-Cause Unplanned Readmission Measure for 30 Days Post Discharge from IRFs (NQF #2502)
MSPB	Medicare Spending per Beneficiary (MSPB)–PAC IRF QRP*
DTC	Discharge to Community–PAC IRF QRP*
Potentially Preventable Readmissions (PPR) 30 day	Potentially Preventable 30-Day Post-Discharge Readmission Measure for IRF QRP*
PPR Within Stay	Potentially Preventable Within Stay Readmission Measure for IRFs*

*Not currently NQF-endorsed for the IRF setting

**In satisfaction of section 1899B(c)(1) of the Act quality measure domain: functional status, cognitive function, and changes in function and cognitive function domain.

Effective October 1, 2018 (FY 2019), CMS is finalizing the replacement of the current pressure ulcer measure with an updated version of that measure.

Proposed Removal of Two IRF QRP Measures

CMS is proposing, with the FY 2020 IRF QRP, to remove the National Healthcare Safety Network (NHSN) Facility-wide Inpatient Hospital-onset Methicillin-resistant *Staphylococcus aureus* (MRSA) Bacteremia Outcome Measure (NQF #1716).

CMS is proposing to remove one measure beginning with the FY 2021 IRF QRP: Percent of Residents or Patients Who Were Assessed and Appropriately Given the Seasonal Influenza Vaccine (Short Stay) (NQF #0680).

Comment

Most find change difficult and unwelcome. It can upset many traditional factors. While this isn't a very long rule, and the changes being proposed for FY 2019 appear straight forward and simple to follow, however, the proposal to modify the CMGs for FY 2020 could prove difficult for many rehabilitation facilities. CMS says that it will be implemented in a budget neutral manner, but that the distributional effects could be a major issue for many facilities.

There a number of items in the proposal, especially those related to quality, that have not been addressed. As always, those involved in quality matters need to review the material indepth.