



WASHINGTON

perspectives

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

September 29, 2023

CMS Releases Four Rules – IPPS, Psychiatric, Rehabilitation and Skilled Nursing Containing Corrections to the FY 2024 PPS Programs



The Centers for Medicare and Medicaid (CMS) have issued 4 rules with corrections to the final FY 2024 prospective payment system (PPS) programs. These include Inpatient, Inpatient Psychiatric, Inpatient Rehabilitation and Skilled Nursing. The rules are effective October 1, 2023, the start of Federal Fiscal year 2024.

The rules are scheduled to be published in the ***Federal Register*** on October 4. Copies of the display versions are available as follows;

Inpatient PPS – <https://public-inspection.federalregister.gov/2023-22060.pdf>. (15 Pages)

Inpatient Psychiatric – <https://public-inspection.federalregister.gov/2023-22053.pdf>. (9 Pages)

Inpatient Rehabilitation – <https://public-inspection.federalregister.gov/2023-22051.pdf>. (6 Pages)

Skilled Nursing – <https://public-inspection.federalregister.gov/2023-22050.pdf>. (12 Pages)

Comment

All of the rules contain corrections to technical and typographical errors. One thread is present in all; a mistake in calculating a specific area wage index value.

Inpatient PPS

Several tables for the FY 2024 IPPS/LTCH PPS final rule contained inadvertent errors related to wage data collected from the Medicare cost reports of one hospital (CMS Certification Number (CCN) 340064) in North Carolina.

“The use of correct wage data for this hospital (by removing the hours that were double counted) necessitated recalculating the FY 2024 area average hourly wages unadjusted for occupational mix and adjusted for occupational mix for the areas impacted by use of correct wage data for this hospital. We

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note that this error did not impact the FY 2024 national average hourly wages unadjusted for occupational mix and adjusted for occupational mix, and thus did not necessitate corrections to those data points. In addition, because CCN 340064 is geographically located in a rural area (Core-Based Statistical Area (CBSA) 34 North Carolina) and reclassifies to an urban area (CBSA 16740 Charlotte-Concord-Gastonia, NC-SC), it was necessary to recalculate the wage index for CBSAs 34 and 16740”.

CMS also made conforming changes and recalculated the rural floor for North Carolina as well as some of the imputed floors and one county out-migration adjustment.

“We did not recalculate any budget neutrality factors due to the changes to the wage data. We estimate that this change would have resulted in a reduction of the standardized amount of approximately 3 cents.”

CMS is correcting the errors in the following IPPS tables.

- Table 2—Case Mix Index and Wage Index Table by CCN – correcting the values in the columns titled “Average Hourly Wage FY 2024” and “3-Year Average Hourly Wage (2022, 2023, 2024)” for CCN 340064.
- Table 3 – Wage Index Table by CBSA – FY 2024 – correcting the data of CCN 340064 to recalculate the wage index for CBSAs 34 and 16740.
- Table 4A – List of Counties Eligible for the Out-Migration Adjustment Under Section 1886(D)(13) of the Act – FY 2024 Final Rule – correcting the value for the column titled “FY 2024 Out Migration Adjustment” for Catawba, NC (FIPS county code 37035).
- Table 12B—LTCH PPS Wage Index for Rural Areas for Discharges Occurring from October 1, 2023 through September 30, 2024 – note that the correction to the inpatient hospital wage data for CCN 340064 necessitated a correction to the FY 2024 LTCH PPS standard Federal payment rate area wage index value for CBSA 34 (rural NC); however, there are currently no LTCHs located in CBSA 34.
- Table 18—FY 2024 Final Rule Medicare DSH Uncompensated Care Payment Factor 3 (Final Methodology) – because the Factor 3 calculated for each hospital reflects that hospital’s uncompensated care amount relative to the uncompensated care amount for all DSH hospitals, CMS also recalculated Factor 3 for all DSH-eligible hospitals. The change to the previously calculated Factor 3 is of limited magnitude for the majority of hospitals.

Inpatient Psychiatric

The use of the corrected wage data for the one hospital in CBSA 34 required the recalculation of the final FY 2024 IPF PPS wage indexes.

CMS is correcting the wage index in Table B setting forth the wage indexes for rural areas based on CBSA labor market areas and in Table C setting forth the wage indexes for urban and rural areas without counties, which are available exclusively on the CMS website at:

<https://www.cms.gov/medicare/medicarefee-for-service-payment/inpatientpsychfacilpps/wageindex>.

Comment

The above website is returning an error page.

Inpatient Rehabilitation

The corrected wage data for the one hospital in CBSA 34 required the recalculation of the final FY 2024 IRF PPS wage indexes.

CMS is correcting the wage index in Table B setting forth the wage indexes for rural areas based on CBSA labor market areas.

CMS is republishing the wage indexes in Tables A and B accordingly.

Skilled Nursing

Again, CMS is correcting wage data for the one hospital in CBSA 34 which requires CMS to recalculate the final FY 2024 SNF PPS wage indexes.

“We are correcting the wage index in Table B setting forth the wage indexes for rural areas based on CBSA labor market areas (Table B), which is available on the CMS website at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/WageIndex.html>.”

Comment

This website link does not contain the revised table B.

PDPM ICD-10 Mappings

CMS is correcting errors to the FY 2024 Patient Driven Payment Model (PDPM) ICD-10-CM mappings (hereinafter referred to as PDPM ICD-10 code mappings) that were made available on the CMS website at <https://www.cms.gov/medicare/medicare-fee-forservice-payment/snfpps/pdpm> in conjunction with the release of the FY 2024 SNF PPS final rule. (Note this is another link that does not work)

CMS says that it is “correcting errors in the clinical category assignment of 332 codes ranging from C00.0 through C49.6 to reinstate their prior year’s assignments from the FY 2023 SNF PPS final rule, as we proposed no changes in clinical categories in this code range in the FY 2024 SNF PPS proposed rule nor finalized them in the FY 2024 SNF PPS final rule. Second, we are correcting errors in the clinical category assignments of D75.84, F43.81, F43.89, G90.A, and K76.82 to reflect the changes finalized in the FY 2024 SNF PPS final rule (88 FR 53220 through 53221). The second table in the FY 2024 PDPM ICD-10 code mappings file displays a list of ICD-10 codes associated with comorbidities included in the Speech-Language Pathology (SLP) component under PDPM. Specifically, we are removing the following new ICD-10 codes effective October 1, 2023, that were erroneously added, noting the addition of any ICD-10 code to the SLP comorbidity list would amount to a change in policy that would first need to undergo notice and comment rulemaking: G20.A1, G20.A2, G20.B1, G20.B2, G20.C, G11.6, G23.3, G31.80, G31.86, G37.81, G40.C01, G40.C09, G40.C11, G40.C19, G90.B, G93.42, G93.43, G93.44.”

Comment

Either my internet isn’t working properly or something is wrong with CMS. This is another website returning an error page.

Tables being corrected;

TABLE 3—FY 2024 UNADJUSTED FEDERAL RATE PER DIEM—URBAN is corrected to read as follows:

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$70.26	\$65.40	\$26.23	\$122.47	\$92.40	\$109.68
Original Amounts	\$70.27	\$65.41	\$26.23	\$122.48	\$92.41	\$109.69

TABLE 4—FY 2024 UNADJUSTED FEDERAL RATE PER DIEM—RURAL is corrected to read as follows:

Rate Component	PT	OT	SLP	Nursing	NTA	Non-Case-Mix
Per Diem Amount	\$80.09	\$73.56	\$33.05	\$117.01	\$88.28	\$111.71
Original Amounts	\$80.10	\$73.56	\$33.05	\$117.03	\$88.29	\$111.72

TABLE 5—PDPM CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—URBAN (INCLUDING THE PARITY ADJUSTMENT RECALIBRATION) is corrected to read as follows:

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	\$101.88	1.41	\$92.21	0.64	\$16.79	ES3	3.84	\$470.28	3.06	\$282.74
B	1.61	\$113.12	1.54	\$100.72	1.72	\$45.12	ES2	2.90	\$355.16	2.39	\$220.84
C	1.78	\$125.06	1.60	\$104.64	2.52	\$66.10	ES1	2.77	\$339.24	1.74	\$160.78
D	1.81	\$127.17	1.45	\$94.83	1.38	\$36.20	HDE2	2.27	\$278.01	1.26	\$116.42
E	1.34	\$94.15	1.33	\$86.98	2.21	\$57.97	HDE1	1.88	\$230.24	0.91	\$84.08
F	1.52	\$106.80	1.51	\$98.75	2.82	\$73.97	HBC2	2.12	\$259.64	0.68	\$62.83
G	1.58	\$111.01	1.55	\$101.37	1.93	\$50.62	HBC1	1.76	\$215.55	-	-
H	1.10	\$77.29	1.09	\$71.29	2.7	\$70.82	LDE2	1.97	\$241.27	-	-
I	1.07	\$75.18	1.12	\$73.25	3.34	\$87.61	LDE1	1.64	\$200.85	-	-
J	1.34	\$94.15	1.37	\$89.60	2.83	\$74.23	LBC2	1.63	\$199.63	-	-
K	1.44	\$101.17	1.46	\$95.48	3.5	\$91.81	LBC1	1.35	\$165.33	-	-
L	1.03	\$72.37	1.05	\$68.67	3.98	\$104.40	CDE2	1.77	\$216.77	-	-
M	1.20	\$84.31	1.23	\$80.44	-	-	CDE1	1.53	\$187.38	-	-
N	1.40	\$98.36	1.42	\$92.87	-	-	CBC2	1.47	\$180.03	-	-
O	1.47	\$103.28	1.47	\$96.14	-	-	CA2	1.03	\$126.14	-	-
P	1.02	\$71.67	1.03	\$67.36	-	-	CBC1	1.27	\$155.54	-	-
Q	-	-	-	-	-	-	CA1	0.89	\$109.00	-	-
R	-	-	-	-	-	-	BAB2	0.98	\$120.02	-	-
S	-	-	-	-	-	-	BAB1	0.94	\$115.12	-	-
T	-	-	-	-	-	-	PDE2	1.48	\$181.26	-	-
U	-	-	-	-	-	-	PDE1	1.39	\$170.23	-	-
V	-	-	-	-	-	-	PBC2	1.15	\$140.84	-	-
W	-	-	-	-	-	-	PA2	0.67	\$82.05	-	-
X	-	-	-	-	-	-	PBC1	1.07	\$131.04	-	-
Y	-	-	-	-	-	-	PA1	0.62	\$75.93	-	-

Original August 7 Values are shown below

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PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	\$101.89	1.41	\$92.23	0.64	\$16.79	ES3	3.84	\$470.32	3.06	\$282.77
B	1.61	\$113.13	1.54	\$100.73	1.72	\$45.12	ES2	2.90	\$355.19	2.39	\$220.86
C	1.78	\$125.08	1.60	\$104.66	2.52	\$66.10	ES1	2.77	\$339.27	1.74	\$160.79
D	1.81	\$127.19	1.45	\$94.84	1.38	\$36.20	HDE2	2.27	\$278.03	1.26	\$116.44
E	1.34	\$94.16	1.33	\$87.00	2.21	\$57.97	HDE1	1.88	\$230.26	0.91	\$84.09
F	1.52	\$106.81	1.51	\$98.77	2.82	\$73.97	HBC2	2.12	\$259.66	0.68	\$62.84
G	1.58	\$111.03	1.55	\$101.39	1.93	\$50.62	HBC1	1.76	\$215.56	-	-
H	1.10	\$77.30	1.09	\$71.30	2.7	\$70.82	LDE2	1.97	\$241.29	-	-
I	1.07	\$75.19	1.12	\$73.26	3.34	\$87.61	LDE1	1.64	\$200.87	-	-
J	1.34	\$94.16	1.37	\$89.61	2.83	\$74.23	LBC2	1.63	\$199.64	-	-
K	1.44	\$101.19	1.46	\$95.50	3.5	\$91.81	LBC1	1.35	\$165.35	-	-
L	1.03	\$72.38	1.05	\$68.68	3.98	\$104.40	CDE2	1.77	\$216.79	-	-
M	1.20	\$84.32	1.23	\$80.45	-	-	CDE1	1.53	\$187.39	-	-
N	1.40	\$98.38	1.42	\$92.88	-	-	CBC2	1.47	\$180.05	-	-
O	1.47	\$103.30	1.47	\$96.15	-	-	CA2	1.03	\$126.15	-	-
P	1.02	\$71.68	1.03	\$67.37	-	-	CBC1	1.27	\$155.55	-	-
Q	-	-	-	-	-	-	CA1	0.89	\$109.01	-	-
R	-	-	-	-	-	-	BAB2	0.98	\$120.03	-	-
S	-	-	-	-	-	-	BAB1	0.94	\$115.13	-	-
T	-	-	-	-	-	-	PDE2	1.48	\$181.27	-	-
U	-	-	-	-	-	-	PDE1	1.39	\$170.25	-	-
V	-	-	-	-	-	-	PBC2	1.15	\$140.85	-	-
W	-	-	-	-	-	-	PA2	0.67	\$82.06	-	-
X	-	-	-	-	-	-	PBC1	1.07	\$131.05	-	-
Y	-	-	-	-	-	-	PA1	0.62	\$75.94	-	-

TABLE 6—PDPM CASE-MIX ADJUSTED FEDERAL RATES AND ASSOCIATED INDEXES—RURAL
(INCLUDING THE PARITY ADJUSTMENT RECALIBRATION) is corrected to read as follows:

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	\$116.13	1.41	\$103.72	0.64	\$21.15	ES3	3.84	\$449.32	3.06	\$270.14
B	1.61	\$128.94	1.54	\$113.28	1.72	\$56.85	ES2	2.90	\$339.33	2.39	\$210.99
C	1.78	\$142.56	1.60	\$117.70	2.52	\$83.29	ES1	2.77	\$324.12	1.74	\$153.61
D	1.81	\$144.96	1.45	\$106.66	1.38	\$45.61	HDE2	2.27	\$265.61	1.26	\$111.23
E	1.34	\$107.32	1.33	\$97.83	2.21	\$73.04	HDE1	1.88	\$219.98	0.91	\$80.33
F	1.52	\$121.74	1.51	\$111.08	2.82	\$93.20	HBC2	2.12	\$248.06	0.68	\$60.03
G	1.58	\$126.54	1.55	\$114.02	1.93	\$63.79	HBC1	1.76	\$205.94	-	-
H	1.10	\$88.10	1.09	\$80.18	2.7	\$89.24	LDE2	1.97	\$230.51	-	-
I	1.07	\$85.70	1.12	\$82.39	3.34	\$110.39	LDE1	1.64	\$191.90	-	-
J	1.34	\$107.32	1.37	\$100.78	2.83	\$93.53	LBC2	1.63	\$190.73	-	-
K	1.44	\$115.33	1.46	\$107.40	3.5	\$115.68	LBC1	1.35	\$157.96	-	-
L	1.03	\$82.49	1.05	\$77.24	3.98	\$131.54	CDE2	1.77	\$207.11	-	-
M	1.20	\$96.11	1.23	\$90.48	-	-	CDE1	1.53	\$179.03	-	-
N	1.40	\$112.13	1.42	\$104.46	-	-	CBC2	1.47	\$172.00	-	-

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PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
O	1.47	\$117.73	1.47	\$108.13	-	-	CA2	1.03	\$120.52	-	-
P	1.02	\$81.69	1.03	\$75.77	-	-	CBC1	1.27	\$148.60	-	-
Q	-	-	-	-	-	-	CA1	0.89	\$104.14	-	-
R	-	-	-	-	-	-	BAB2	0.98	\$114.67	-	-
S	-	-	-	-	-	-	BAB1	0.94	\$109.99	-	-
T	-	-	-	-	-	-	PDE2	1.48	\$173.17	-	-
U	-	-	-	-	-	-	PDE1	1.39	\$162.64	-	-
V	-	-	-	-	-	-	PBC2	1.15	\$134.56	-	-
W	-	-	-	-	-	-	PA2	0.67	\$78.40	-	-
X	-	-	-	-	-	-	PBC1	1.07	\$125.20	-	-
Y	-	-	-	-	-	-	PA1	0.62	\$72.55	-	-

Original August 7 Values are shown below

PDPM Group	PT CMI	PT Rate	OT CMI	OT Rate	SLP CMI	SLP Rate	Nursing CMG	Nursing CMI	Nursing Rate	NTA CMI	NTA Rate
A	1.45	\$116.15	1.41	\$103.72	0.64	\$21.15	ES3	3.84	\$449.40	3.06	\$270.17
B	1.61	\$128.96	1.54	\$113.28	1.72	\$56.85	ES2	2.90	\$339.39	2.39	\$211.01
C	1.78	\$142.58	1.60	\$117.70	2.52	\$83.29	ES1	2.77	\$324.17	1.74	\$153.62
D	1.81	\$144.98	1.45	\$106.66	1.38	\$45.61	HDE2	2.27	\$265.66	1.26	\$111.25
E	1.34	\$107.33	1.33	\$97.83	2.21	\$73.04	HDE1	1.88	\$220.02	0.91	\$80.34
F	1.52	\$121.75	1.51	\$111.08	2.82	\$93.20	HBC2	2.12	\$248.10	0.68	\$60.04
G	1.58	\$126.56	1.55	\$114.02	1.93	\$63.79	HBC1	1.76	\$205.97	-	-
H	1.10	\$88.11	1.09	\$80.18	2.7	\$89.24	LDE2	1.97	\$230.55	-	-
I	1.07	\$85.71	1.12	\$82.39	3.34	\$110.39	LDE1	1.64	\$191.93	-	-
J	1.34	\$107.33	1.37	\$100.78	2.83	\$93.53	LBC2	1.63	\$190.76	-	-
K	1.44	\$115.34	1.46	\$107.40	3.5	\$115.68	LBC1	1.35	\$157.99	-	-
L	1.03	\$82.50	1.05	\$77.24	3.98	\$131.54	CDE2	1.77	\$207.14	-	-
M	1.20	\$96.12	1.23	\$90.48	-	-	CDE1	1.53	\$179.06	-	-
N	1.40	\$112.14	1.42	\$104.46	-	-	CBC2	1.47	\$172.03	-	-
O	1.47	\$117.75	1.47	\$108.13	-	-	CA2	1.03	\$120.54	-	-
P	1.02	\$81.70	1.03	\$75.77	-	-	CBC1	1.27	\$148.63	-	-
Q	-	-	-	-	-	-	CA1	0.89	\$104.16	-	-
R	-	-	-	-	-	-	BAB2	0.98	\$114.69	-	-
S	-	-	-	-	-	-	BAB1	0.94	\$110.01	-	-
T	-	-	-	-	-	-	PDE2	1.48	\$173.20	-	-
U	-	-	-	-	-	-	PDE1	1.39	\$162.67	-	-
V	-	-	-	-	-	-	PBC2	1.15	\$134.58	-	-
W	-	-	-	-	-	-	PA2	0.67	\$78.41	-	-
X	-	-	-	-	-	-	PBC1	1.07	\$125.22	-	-
Y	-	-	-	-	-	-	PA1	0.62	\$72.56	-	-

On page 53214 (of the **Federal Register** version), first column, first full paragraph, line 27, the figure "0.9997" is corrected to read "0.9996".

On page 53215, above Table 8, third column, first partial paragraph, line 7, the figure "\$21,717.98" is corrected to read "\$21,715.82".

On page 53215, middle of the page, TABLE 8—PDPM CASE-MIX ADJUSTED RATE COMPUTATION EXAMPLE is corrected to read as follows:

Per Diem Rate Calculation				
Component	Component Group	Component Rate	VPD Adjustment Factor	VPD Adj. Rate
PT	N	\$98.36	1.00	\$98.36
OT	N	\$92.87	1.00	\$92.87
SLP	H	\$70.82	1.00	\$70.82
Nursing	N	\$180.03	1.00	\$180.03
NTA	C	\$160.78	3.00	\$482.34
Non-Case-Mix	-	\$109.68	-	\$109.68
Total PDPM Case-Mix Adj. Per Diem				\$1,034.10

Original August 7 Values are shown below

Component	Component Group	Component Rate	VPD Adjustment Factor	VPD Adj. Rate
PT	N	\$98.38	1.00	\$98.38
OT	N	\$92.88	1.00	\$92.88
SLP	H	\$70.82	1.00	\$70.82
Nursing	N	\$180.05	1.00	\$180.05
NTA	C	\$160.79	3.00	\$482.37
Non-Case-Mix	-	\$109.69	-	\$109.69
Total PDPM Case-Mix Adj. Per Diem				\$1,034.19

Final Comments

First, it’s difficult to comprehend how one hospital error can cause so much change. Second, the fact that many of the links to website only tables do not work. Third, the presentation of these rules material leaves much to be desired. Most corrections do not reflect the amounts/ values being modified.

The reader should not have to revert to the original final rule to understand the changes being made.