

Eli's Rehab Report

News Briefs: Inpatient Rehab: Brace for Payment Decreases: Proposed IRF PPS Rule Tells All

It's that time of year again -- CMS has released its 2009 proposed changes to payment policies and rates for IRFs. Of note, the agency is proposing to update CMG relative weights and average length of stay values using FY 2006 data. In addition, the agency is proposing to set the outlier threshold for FY 2009 at \$9,191, according to a fact sheet CMS released on April 21.

Impact: Overall, CMS' proposed changes "will result in an estimated decrease in aggregate IRF payments of \$20 million for FY 2009," the agency said. This is due to the outlier threshold update.

CMS is also required to update the IRF PPS payment rates by 0 percent for FY 2009, in compliance with a statutory provision in the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA).

The good news: Thanks to the MMSEA, CMS is required to set IRFs' compliance threshold no higher than 60 percent for cost reporting periods beginning on or after July 1, 2006. In other words, now only 60 percent of patients with one of 11 qualifying conditions are needed to ensure the IRF meets Medicare payment qualifications. (Previously, the threshold was set to rise to 75 percent.) In addition, IRFs will still be allowed to use comorbidities to count toward the compliance threshold.

CMS will accept comments on the proposed rule until June 20, 2008. The agency will then respond to comments and reveal the final rule on or before Aug. 1, 2008.

To view the proposed rule, visit

<http://www.cms.hhs.gov/InpatientRehabFacPPS/LIRFF/itemdetail.asp?itemID=CMS1209922>.