

CMS Issues Proposed Hospital Inpatient Payment Regulation

On April 30, CMS issued a proposed rule that would update FY 2015 Medicare payment policies and rates for inpatient stays at general acute care hospitals. CMS projects that the payment rate update to general acute care hospitals will be 1.3 percent in FY 2015. This rule builds on the Obama administration's efforts through the Affordable Care Act to promote improvements in hospital care that will lead to better patient outcomes while slowing the long-term health care cost growth.

The rule's most significant changes are payment provisions intended to improve the quality of hospital care that reduce payment for readmissions, and hospital acquired conditions. The rule also includes proposed changes to the Hospital

Inpatient Quality Reporting Program. The rule also describes how hospitals can comply with the Affordable Care Act's requirements to disclose charges for their services online or in response to a request, supporting price transparency for patients and the public.

The proposed rule asks for public input on an alternative payment methodology for short stay inpatient cases that also may be treated on an outpatient basis, including how to define short stays. In addition, the proposed rule reminds stakeholders of the existing process for requesting additional exceptions to the two-midnight benchmark.