



Key Medicare Regulations Impacting Rural Providers

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July 23, 2010



2010 Recently Released Regulations



- Final Regulations:
 - CMS EHR Incentive Program
 - Inpatient and Long Term Care Prospective Payment System
- Proposed Regulations:
 - Medicare Physician Fee Schedule
 - Outpatient Prospective Payment System
 - Home Health Prospective Payment System
- Notices:
 - Hospice Wage Index
 - Skilled Nursing Facility Prospective Payment System



CMS Meaningful Use Provisions



- FY11 Final Regulation
 - Displayed 07/13/2010; Published 07/28/2010

Key Proposed Changes:

- Medicare Incentives both Provider and Hospital Based
- Medicaid Incentives to Providers and Hospitals
- Based on “Meaningful HIT Adoption” of Certified EHR Technologies



CMS Meaningful Use Provisions (cont)



- ARRA established maximum annual incentive amounts and include Medicare penalties for failing to meaningfully adopt EHRs; No Medicaid Penalties
- Three broad criteria: 1) Meaningful use of EHR, 2) Information Exchange, and 3) reporting on measures using EHR



Inpatient Hospital Payments Proposed



- FY11 Final IPPS Regulation
 - Published 07/30/10; Effective 10/01/10
- 2.35% Market Basket Update w/quality data
 - Payments to all hospitals -0.4%
 - Payments to rural hospitals increase -0.4%
- Documentation and Coding Adjustment: – 2.9%



Inpatient Hospital Payments Proposed (cont)



- Expanded quality measures: 46 - FY 2011; 55 - FY 2012
- Payments for CRNA Services
- CAH provisions:
 - Changes to Method II billing
 - Clarification of allowable taxes on cost report
- Additional provisions:
 - Expansion of post-acute transfer policy
 - Medicare Dependant Hospital threshold



Long Term Care Hospital Payments Proposed



- FY11 Final LTCH Regulation
 - Published 07/30/10; Effective 10/01/10
- Market Basket Update : 2.0%
 - Overall Payments to Increase 0.5%
 - Rural Payments to Increase 0.9%
- Key Changes:
 - Changing from a Rate Year to Fiscal Year
 - Standard Federal Rate: \$39,559.95
 - Coding and Documentation Adjustment: -2.5%



Medicare Physician Fee Schedule



- CY11 Proposed Physician Fee Schedule Regulation
 - Published 06/25/10; Effective 01/01/11
- Key Proposed Changes:
 - 2.2% payment increase for services furnished through 11/30/2010
 - 2nd year of Practice Expense transition
 - Implements key provisions from ACA in:
 - Primary Care and Prevention
 - Expanding Access



Outpatient Hospital Payments Proposed



- CY11 Proposed OPPS Regulation
 - Comments due 08/31/2010; Effective 01/01/10
- 2.5% inflation Update
 - Payment to all hospitals increase 2.1%
 - Payments to rural hospitals increase 1.8%
- Key Proposed Changes:
 - New GME provisions
 - Expanded quality measures
 - Modification of supervision requirements for outpatient therapeutic services



Home Health Payments Proposed



- CY11 Proposed Home Health Regulation
 - Comments due 09/14/2010; Effective 01/01/11
- Market Basket Update: 1.4%
 - Payment to all agencies decrease 4.63%
 - Payments to all rural agencies decrease 4.38%
- Key Proposed Changes:
 - 3% rural add-on
 - 3.79% reduction for Case-Mix Adjustment.



Hospice Wage Index Notice with Comment Period



- FY11 Hospice Wage Index Notice with Comment
 - Comments due 09/20/2010; Effective 10/01/10
- Market Basket Update 2.1%
 - Payments to all rural agencies increase 1.4%
- Key Proposed Changes:
 - Gradual phase out of the Budget Neutrality Adjustment Factor over a 7 year period.
 - In the FY 2011 Proposed Home Health regulation proposed new certifications and recertification requirements.



Skilled Nursing Facility Notice with Comment Period



- FY11 SNF Notice with Comment
 - Comments due 09/20/2010; Effective 10/01/10
- Market Basket Update: 2.3%
 - Payments to all SNF increase 1.7%
 - Payments to all rural SNF increase 1.5%
- Key Proposed Changes:
 - Establishes a revised case-mix classification methodology (RUG-IV) and implementation schedule, to begin FY11.



CMS Rural Resources



- CMS Rural Health Council
 - CMS Regional Office Rural Liaisons
 - <http://www.cms.gov/OpenDoorForums/Downloads/CMSRuralHealthCoordinatorsMay2009.pdf>
- CMS Rural Open Door Forum- Sign up at:
 - <http://www.cms.hhs.gov/OpenDoorForums>
- CMS Website Rural Health Center
 - <http://www.cms.hhs.gov/center/rural.asp>



ORHP Resources



- Rural Assistance Center
 - One stop shopping for all rural health and human services

<http://raonline.org>
- Rural Health Research Gateway
 - Learn more about past and ongoing studies

<http://www.ruralhealthresearch.org/>
- Rural Health Clinic TA Series
 - Quarterly Conference Call Series for all RHCs

<http://www.narhc.org>



Questions? Ask the Policy Team!



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