FEDERAL OFFICE OF RURAL HEALTH POLICY (FORHP) UPDATES
MAY 2017

FORHP's Policy Team is ready to answer any questions you may have about these updates at RuralPolicy@hrsa.gov.

FY 2018 Proposed Rule Medicare Hospital Inpatient PPS

On April 28, CMS published the proposed rule for the Fiscal Year (FY) 2018 Medicare Hospital Inpatient Prospective Payment System (IPPS) along with a Request for Information (RFI).

Significant proposals for rural providers include:

- Terminates Medicare-dependent hospital (MDH) program as of October 1 (per MACRA)
  - CMS estimate: 96 of 158 current MDHs lose $119 million
- Terminates temporary expansion of low-volume hospital (LVH) adjustment
  - Reinstates pre-ACA 25% LVH adjustment for hospitals >25 miles from like hospital and <200 discharges
  - Decreases LVH payments by $311 million from FY 2017 to 2018
- Establishes $7 billion disproportionate share hospital (DSH) uncompensated care pool to be allotted according to Worksheet S-10 data
  - Phases in Worksheet S-10 data, using FY 2014 Worksheet S-10 data and low-income proxy data from FYs 2013 and 2012
  - In effect, redistribution of DSH uncompensated care dollars from more urban, Medicaid-expansion states to more rural, non-expansion states
- Deemphasizes review of CAH 96-hour certification requirement
  - QIOs, MACs, RACs will not conduct medical record review for 96-hour rule unless CMS finds evidence of gaming or noncompliance
- Extends Rural Community Hospital demonstration for 5 years (per 21st Century Cures Act)
  - April 2017 solicitations for non-CAH rural hospitals in any state, priority to those in 20 states with lowest population density
  - Applicants may note impact of state rural hospital closures

- Requires accrediting organizations with CMS-approved accreditation programs to post final accreditation survey reports (including deficiency findings) for the last three years on their website, which will publicize the survey results for 89% of PPS hospitals and 32% of CAHs participating in Medicare via accreditation and provide significant information for consumers to inform care choices.

- Sunsets the imputed rural floor policy expiring on October 1, 2017, which may increase wage index-related payment to rural hospitals (CMS estimates <1%).

CMS also published a RFI and is requesting feedback from the public on reducing regulatory burden and improving care quality that may inform discussions on future rules affecting hospitals. This is an opportunity for rural providers to provide CMS with a rural perspective on reducing regulatory burden and improving rural inpatient quality of care.

Comments are due by **June 13, 2017.** See the CMS fact sheet for more information.

Rural Community Hospital Demonstration

CMS has released the third solicitation for applications for the Rural Community Hospital Demonstration, which tests the impact of a cost-based payment methodology for Medicare inpatient hospital services furnished by small, rural hospitals. To be eligible to apply, hospitals must have fewer than 51 acute care inpatient beds, make available 24-hour emergency care services, and not be eligible for, or designated as, Critical Access Hospitals (CAH). To select new demonstration participants, the 21st Century Cures Act authorizes CMS to prioritize applicants from the 20 states with the lowest population density and consider the impact of rural hospital closures in the last five years. Applications are due by **May 17**.

FCC Seeks Public Comment

The Federal Communications Commission (FCC) recently released a Public Notice seeking comments, data, and information on a broad range of regulatory, policy, technical and infrastructure issues related to broadband-enabled health care. This includes a request for comments on how to strengthen the FCC's Rural Health Care Program, which supports telecommunications and broadband services to improve the quality of health care in rural communities. Stakeholders may consider commenting on key policies including, but not limited to, ensuring eligible safety-net providers can access program funding, assessing the annual funding cap of $400 million, and reducing administrative complexity.

Interested parties may file comments on or before **May 24, 2017**. The FCC has posted more detailed information on the request and instructions for filing comments.

Quality Payment Program Update

CMS has released an interactive tool on the CMS Quality Payment Program website for clinicians to determine if they should participate in the Merit-based Incentive Payment System for 2017. Rural clinicians that bill Medicare Part B more than $30,000 a year **AND** see more than 100 Medicare patients a year qualify for participation in 2017.

In late April through May, practices will also get a letter from the Medicare Administrative Contractor with information on the participation status of each MIPS clinician associated with the Taxpayer Identification Number or TIN in a practice. To learn more about participation criteria, review the MIPS Participation Fact Sheet or email questions to QPP@cms.hhs.gov.

The Joint Commission CAH accreditation program

CMS recently published a notice of receipt of an application from the Joint Commission for the continued approval of the CAH accreditation program. CMS deems CAHs voluntarily accredited by the Joint Commission as eligible to participate in Medicare given their current approval that Joint Commission standards for accreditation meet or exceed Medicare requirements for CAHs. Of more than 1,300 CAHs, the Joint Commission reports accrediting 363 as of April 2016 – nearly 90% of the 420 CAHs with deemed status according to CMS. CMS approval of the Joint Commission CAH accreditation program expires November 21, 2017. CMS seeks public comment on whether the requirements of the Joint Commission accreditation for CAHs continues to meet or exceed the Medicare conditions of participation. Comments are due by **June 18, 2017**.