FORHP Policy Updates, May 2019

- **Proposed Rule: FY 2020 Inpatient Prospective Payment System (IPPS) (comments due June 24)**
  - **Wage Index Update:** To address the disparities between high and low wage index IPPS hospitals, CMS is proposing to increase the wage index for hospitals with a wage index value below the 25th percentile (and decrease for those above the 75th percentile). This proposed policy would be effective for at least 4 years, beginning in FY 2020. CMS also proposes removing urban to rural hospital reclassifications from the calculation of the rural floor wage index value beginning in FY 2020.
  - **CAH Payment for Ambulance Services:** Proposing to revise policy to address the gap in the statutory language surrounding (non-CAH) ambulance providers and suppliers that are located within a 35-mile drive of the CAH, but not qualified to furnish ambulance services within the CAH's service area
  - **Direct GME and IME:** Proposing to allow a hospital to include residents training at a CAH in its FTE count so long as the non-provider site requirements at 42 CFR 13.78(g) are met

FORHP Policy Updates, May 2019, Continued

- **CMS requests comments on DRAFT Hospital Co-location Interpretive Guidance (comments due July 2)**
  - In this guidance, CMS seeks to provide clarity about how CMS and State Agency surveyors will evaluate a hospital's space sharing or contracted staff arrangements with another hospital or health care entity when assessing the hospital's compliance with the CoPs.
  - This language will be added to the Survey Process Section of **Appendix A.**
    - Surveying Hospitals Co-Located with Other Hospitals or Healthcare Facilities
    - Distinct Space and Shared Space
    - Contracted Services
    - Staffing Contracts
    - Clinical Services Contract
    - Emergency Services
    - Survey Procedures

FORHP Policy Updates, May 2019, Again

- **Innovation Model: Emergency Triage, Treat, and Transport (ET3)**
  - CMS will pay ET3 voluntarily participating ambulance suppliers and providers to:
    1. Transport an individual to a hospital emergency department or other destination covered under the regulations,
    2. Transport to an alternative destination (e.g., primary care office or an urgent care clinic), or
    3. Provide treatment in place with a qualified health care practitioner, either on scene or via telehealth.
  - **Participants:** Medicare-enrolled ambulance service suppliers and hospital-owned ambulance providers. Local governments, their designees, or other entities that operate or have authority over one or more 911 dispatches in geographic areas where ambulance suppliers and providers have been selected will have an opportunity to access cooperative agreement funding.
  - **Timing:** A five-year performance period. The anticipated start date is January 2020. The Innovation Center anticipates releasing a Request for Applications (RFA) in Summer 2019 to solicit Medicare-enrolled ambulance suppliers and providers. Once participants have been selected and announced, the Innovation Center anticipates issuing a Notice of Funding Opportunity (NOFO) in Fall 2019 for up to 40 two-year cooperative agreements.

FORHP Policy Updates, May 2019, Once More

- **CMS Primary Cares Initiative**
- A new set of payment models to transform primary care to deliver better value for patients throughout the healthcare system
- The five payment model options are:
  - Primary Care First (PCF)
  - Primary Care First – High Need Populations
  - Direct Contracting – Global
  - Direct Contracting – Professional
  - Direct Contracting – Geographic

FORHP Policy Updates, May 2019, Further

- **Innovation Model: Primary Care First**
- A set of voluntary five-year payment model options that reward value and quality by offering innovative payment model structures to support delivery of advanced primary care
- Based on the underlying principles of the existing CPC+ model design
- **Payment structure:**
  - A payment mechanism that allows care to be driven by clinicians rather than administrative requirements and revenue cycle management;
  - A population-based payment to provide more flexibility in the provision of patient care along with a flat primary care visit fee; and
  - A performance based adjustment providing an upside of up to 50% of revenue as well as a small downside (10% of revenue) incentive to reduce costs and improve quality, assessed and paid quarterly
- **Seriously Ill Population (SIP) Payment Model Option:** Payment amounts will be set to reflect the high need, high risk nature of the population as well as include an increase or decrease in payment based on quality.

FORHP Policy Updates, May 2019, Additional

- **Innovation Model: Direct Contracting**
- A set of voluntary payment model options aimed at reducing expenditures and preserving or enhancing quality of care for beneficiaries in Medicare fee-for-service
- Options to take on risk and earn rewards, with choices related to cash flow, beneficiary alignment, and benefit enhancements

FORHP Policy Updates, May 2019, Another

- **Direct Contracting** provides 3 population-based payment (PBP) options – 2 voluntary risk-sharing payment model options and 1 payment model option for public input **(comments due May 23)**

1. **Professional PBP** offers the lower risk-sharing arrangement—50% savings/losses—and provides Primary Care Capitation, a capitated, risk-adjusted monthly payment for enhanced primary care services.

2. **Global PBP** offers the highest risk sharing arrangement—100% savings/losses—and provides two payment options: Primary Care Capitation (described above) or Total Care Capitation, capitated, risk-adjusted monthly payment for all services provided by DC Participants and preferred providers with whom the DCE has an agreement.

3. **Geographic PBP** would offer a similar risk-arrangement as the Global PBP option as potential participants would assume responsibility for the total cost of care for all Medicare FFS beneficiaries in a defined target region. CMS is seeking public input to further refine the design parameters. Responses to the RFI will be accepted through 11:59 p.m., EDT, May 23, 2019 and can be submitted electronically to DPC@cms.hhs.gov.

FORHP Policy Updates, May 2019, In Addition

- **Direct Contracting: Geographic PBP RFI**
- Questions Related to Selection of Target Regions:
  - What are the benefits and/or risks to access, quality, or cost associated with the implementation of the Geographic PBP model option in a target region that includes a rural area? What safeguards might CMS consider to preserve access and quality for beneficiaries in rural areas in a Geographic PBP target region? How would rural market forces (for example, out-migration, hospital closures, and mergers/acquisitions) affect the DCE's ability to lower cost and improve quality under the payment model option?

FORHP Policy Updates, May 2019, Final

FORHP Policy Email: If you have any questions related to policy updates, please contact us at RuralPolicy@hrsa.gov.