

WHA Expresses Concerns with Inadequate Payment Update in 2024 Proposed Inpatient Rule

On June 9, WHA expressed concerns with CMS's unfairly low proposed inpatient payment update for the 2024 Inpatient Prospective Payment System.

Specifically, WHA pointed out that recent data has shown CMS has been far behind the true level of inflation in its recent proposed rules. For instance, recent data has shown true inflation reflected in the market basket for 2022 is 5.7%, despite the 2023 increase issued by CMS being only 2.7%. WHA highlighted the significant financial challenges hospitals are facing with persistently high inflation, severe cost increases for labor due to persistently severe workforce shortage, and skyrocketing drug costs combined with 340B hospitals losing out on 340B discounts at community contract pharmacies due to actions by drug manufacturers.

In addition to its comment letter, WHA sent out a [HEAT Alert](#) urging hospital leaders to ask their members of Congress to sign onto Congressional letters in support of CMS using its special exceptions and adjustments authority to implement a retrospective adjustment in the FY2024 rule to account for the true level of cost increases hospitals are facing. More than 250 messages and counting have been sent to members of Congress from Wisconsin hospital leaders as a result of this HEAT alert.

In addition to concerns about the overall payment level, WHA also expressed concerns with CMS's proposal to decrease Medicare Disproportionate Share Hospital payments by \$115 million. WHA took issue with CMS suggesting the uninsured rate was projected to stay flat even though most states will be transitioning a large share of people off Medicaid throughout 2023 and into 2024 as part of the unwinding of a policy that prevented Medicaid disenrollments throughout the public health emergency.

CMS also asked for information it should consider on supporting safety-net hospitals. WHA cautioned CMS against attempting to develop a definition for safety-net hospitals that is too complex. Citing recent examples of policy makers trying to expand site-neutral payments to hospitals due to concerns about the overall complexity of Medicare's payment system, WHA instead encouraged CMS to come up with simple and transparent metrics such as the mix of uninsured, Medicare, Medicaid and commercial patients a hospital sees in comparison to other health care providers.

WHA also provided comments on a number of proposed changes to quality reporting metrics, including proposals related to health equity, sepsis measurement, COVID-19 vaccination reporting of health care personnel, and geriatric structure measures. You can find WHA's full comment letter [here](#).

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