



Vol. 66, Issue 31

Thursday, August 4, 2022

CMS Issues Final FY 2023 IPPS Rule with Slightly Improved Payments

The Centers for Medicare and Medicaid Services (CMS) issued its final FY 2023 Inpatient Prospective Payment System (IPPS) rule on Aug. 1, with slightly higher hospital payments than initially proposed.

WHA joined the American Hospital Association and other hospital groups in [calling for CMS to boost payment rates](#) to reflect the true growth in hospital costs over the last year due to rising labor costs, longer average lengths of inpatient stays, and the highest level of inflation in more than 25 years. [Members of Congress also joined in the call](#) for CMS to fix its proposed rule to more accurately reflect these costs.

The final rule contains a 4.1% market basket increase instead of the 3.2% increase initially proposed by CMS.

CMS also went forward with its proposal to require hospitals to continue reporting COVID-19 information to CMS beyond the expiration of the public health emergency. However, CMS eliminated the requirement to report data on suspected COVID-19 infections among patients and staff, confirmed influenza infections among staff, confirmed co-morbid influenza and COVID-19 infections among staff, and COVID-19 and influenza deaths among staff. It also pulled back its proposal to require infectious disease reporting for future Public Health Emergencies and said it will put additional consideration into a long-term solution to improve data reporting preparedness.

In addition to these policies, CMS also finalized its quality program proposals to:

- Suppress most measures in its Hospital Value-based Purchasing Program, and all measures in its Hospital-Acquired Condition Reduction Program.
- Adopt 10 new measures for the Inpatient Quality Reporting program, including three health equity-related measures and two perinatal electronic clinical quality measures.
- Adopt a new “birthing friendly” designation for its Care Compare website beginning in fall 2023.
- Increase the IQR program’s eCQM reporting requirements from four to six measures beginning with the calendar year 2024 reporting period.

Read the [full rule here](#).