FY 2016 IPPS

Key Changes Impacting Inpatient Hospitals

by Melissa Shilling, MS, CCS, CDIP, CPC

Changes in Base Rate Payment
Acute care hospitals that were meaningful users of an electronic health record (EHR) in 2014 and submitted the required quality data will be eligible for a 0.9% rate increase. The Centers for Medicare and Medicaid Services (CMS) offers a fact sheet that provides an excellent overview of the Acute Care Hospital Inpatient Prospective Payment System (IPPS) (CMS, 2013).

Hospital Value Based Purchasing (VBP)
IPPS 2016 finalized the decision to remove two measures: AMI-7A and IMM-1. Two new measures were added: Care Transition measure (CTM-3) and the Hospital 30-Day, All Cause Risk Standardized Mortality Rate following COPD hospitalization (MORT-30-COPD).

Hospital Acquired Conditions (HAC) and Hospital Readmissions Reduction Program
Three changes were made that affected HAC reporting:

1. There was an expansion to the population covered by the catheter-associated urinary tract infections and the catheter-associated bloodstream infections. Non-intensive care unit sites of the hospital were included.
2. The contributions of the domains to the total HAC score were adjusted.
3. A policy was adopted for the request for a waiver, under special conditions, to exclude data from a specified and limited time period.

As with the HAC program, there is an “extraordinary circumstance” exception policy associated with the Hospital Readmissions Reduction Program. The CMS 30-Day, All-Cause, Risk-Standardized Readmission Rate (RSRR) after a Pneumonia Hospitalization measure was changed. The cohort will be expanded to include patients with a principal diagnosis of pneumonia or aspiration pneumonia. Also, it will include those discharged with a principal diagnosis of sepsis with a secondary diagnosis of pneumonia (present on admission).

A New Section “X” Code Subcategory
For FY 2016, there are new section “X” procedure codes available in the ICD-10-PCS. These subcategory section “X” codes will be used to identify, track and analyze new medical services and technologies. The New Technology Add-on Payment (NTAP) eligible submissions will be identified with these section “X” codes (HHS, 2015).

New Technology Add-on Payments
For FY 2016, CMS approved two of the nine New Technology Add-On Payment applications that were under consideration in the proposed rule. Blinatumomab (BLINCYTO™) was approved for pass-through payment of $27,017.85 and will be identified by the following ICD-10-PCS codes: XW03351 or XW04351. Blinatumomab was produced by Amgen, Inc. It is a bispecific T-cell engager (BiTE) that is used to treat relapsed or refractory Philadelphia chromosome negative B-cell precursor acute lymphoblastic leukemia. The drug is delivered as a continuous infusion. The second new technology approved for pass-through payment includes drug-coated balloons for percutaneous transluminal angioplasties for treatment of peripheral artery disease. The two such drug coated balloon catheters are LUTONIX® Drug Coated Balloon Percutaneous Transluminal Angioplasty Catheter (CR BARD, Inc.) and IN.PACT™

Admiral™ Paclitaxel Coated Percutaneous Transluminal Angioplasty Balloon Catheter (Medtronic). The drug-coated balloon angioplasty technologies are expected to be used in the treatment of femoral popliteal artery lesions, which are subject to dynamic forces and prone to restenosis. The paclitaxel is an anti-proliferative drug. The NTAP amount for FY 2016 is $1,035.72. The ICD-10-PCS codes used to recognize LUTONIX® and IN.PACT™ are listed in the FY 2016 Final Rule (Quorum, 2015).

MS-DRG Changes for FY2016

The CMS changes for FY2016 included certain cardiovascular MS-DRGs, the rewording of certain MS-DRG titles, and some logic changes. In MDC 5 (Diseases and Disorders of the Circulatory System), MS-DRGs 237 and 238 were deleted and were replaced with new MS-DRGs to reflect the clinical and resource usage differences more accurately between cardiovascular procedures using aortic and heart assist balloon pumps and those that are less.

The two new MS-DRGs for the more invasive cardiovascular procedures are:

- MS-DRG 268: Aortic and Heart Assist Procedures Except Pulsation Balloon with MCC
- MS-DRG 269: Aortic and Heart Assist Procedures Except Pulsation Balloon without MCC

The new MS-DRGS for the less invasive cardiovascular procedures are:

- MS-DRG 270: Other Major Cardiovascular Procedures with MCC
- MS-DRG 271: Other Major Cardiovascular Procedures with CC
- MS-DRG 272: Other Major Cardiovascular Procedures without CC/MCC

The titles of MS-DRGs 456, 457 and 458 were revised to better fit the ICD-10-PCS system descriptions. The logic was changed for MS-DRG 775; the induction of labor with a cervical ripening gel (3E0P7GC) will no longer incorrectly group to MS-DRG 775 for a vaginal delivery procedure with a complicating diagnosis.

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Reference

CMS. (2013, April). *Acute Care Hospital Inpatient Prospective Payment System.* Retrieved from www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN

HHS. (2015, August 17). *Federal Register*. Retrieved from https://federalregister.gov

Quorum Consulting. (2015, August 10). *Key Changes to the Hospital Inpatient Prospective Payment System (IPPS) Final Rule for FY 2016.* Retrieved from www.quorumconsulting.com

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