

April 17, 2020

CMS Releases FY 2021 IRF PPS Proposed Rule

The Centers for Medicare & Medicaid Services (CMS) yesterday issued the [proposed rule](#) for the inpatient rehabilitation facility (IRF) prospective payment system (PPS) for fiscal year (FY) 2021.

AHA Take: This brief rule sets forth required payment updates and minimal changes to the IRF PPS. We appreciate CMS's streamlined rule, which allows providers to focus on the COVID-19 emergency.

Highlights from the rule follow.

FY 2021 Payment Update. CMS proposes to increase net payments to IRFs by 2.5% (\$270 million) in FY 2021 relative to FY 2020. This includes a 2.9% market-basket update offset by a statutorily-mandated cut of 0.4 percentage point for productivity.

Proposed Elimination of the Post-admission Physician Evaluation. The rule proposes to permanently amend IRF coverage requirements by removing the post-admission physician evaluation documentation requirement for all discharges on or after Oct. 1, 2020. As its rationale for this proposal, CMS determined that IRFs are more knowledgeable, relative to when this requirement was initially implemented, in determining whether a patient meets IRF coverage criteria prior to admission. Further, it found that in FY 2019, only on four occasions did the post-admission evaluation alter the determination that an IRF admission was warranted. As a result, CMS concluded that IRFs are conducting appropriate due diligence while completing the required pre-admission screening. CMS also notes that this change would reduce the administrative and paperwork burden for both IRFs and its contractors. We note that in its March 31 interim final rule with comment, the agency implemented a temporary waiver of this particular patient evaluation for the duration of the COVID-19 emergency period.

IRF Quality Reporting Program (QRP). CMS proposed no changes to the IRF QRP.

NEXT STEPS

CMS will accept comments on the IRF proposed rule through June 15. AHA's IRF members will receive an invitation for a call to discuss the rule and inform AHA's

Key Takeaways

The proposed rule would:

- Increase IRF payments by 2.5% (\$270 million) in FY 2021.
- Permanently amend IRF coverage criteria by eliminating the requirement for a post-admission physician evaluation.
- Make no changes to the IRF quality reporting program.

comments. Please contact Rochelle Archuleta, AHA director of policy, at rarchuleta@aha.org with any questions.