



## Policy Brief

September 18, 2020



### Top Takeaways from the IPPS Final Rule

The Centers for Medicare and Medicaid Services (CMS) has published the final Inpatient Prospective Payment System (IPPS) rule, setting how hospitals will be paid by Medicare during Fiscal Year (FY) 2021. The yearly IPPS rule governs how CMS reimburses acute care hospitals for inpatient care provided to Medicare beneficiaries. The initial proposed rule included an estimated \$3.5 billion increase in operating payments as well as proposals related to price transparency, uncompensated care and interoperability. Read more for answers to top questions about what was ultimately finalized; [click here](#) for a detailed outline of the rule.

#### **Did CMS finalize its price transparency proposals?**

Yes, in part. The final IPPS rule requires that hospitals report their median payer-specific negotiated charges for Medicare Advantage (MA) organizations on the Medicare cost report. In the proposed rule, CMS proposed requiring this reporting for both MA *and* all other third-party payers by MS-DRG, an idea that was firmly opposed by many stakeholders, including [AHPA](#) and the [American Hospital Association](#). The final rule also delays the effective date requiring hospitals to publish their standard “shoppable” services; this requirement is now effective January 1, 2021.

#### **What about updates for Disproportionate Share Hospitals’ (DSH) payments?**

CMS has updated its estimate distribution amount for DSH uncompensated care payments to account for the extra care needed during the COVID-19 pandemic. The final rule estimates \$8.29 billion in uncompensated care payments, a decrease of \$60.5 million relative to last year. While this is still a reduction, CMS’ pandemic-related calculation adjustments offset 6.4% of the originally-proposed DSH payment reduction for FY 2021.

## How has the Promoting Interoperability program been changed?

The final rule progressively increases the number of quarters required for hospitals' reporting of eCQM data from one self-selected quarter to four quarters of data over three years. eCQM performance data must now be publicly reported on the Hospital Compare or data.medicare.gov websites. The *Query of the Prescription Drug Monitoring Program* measure will continue to be voluntary next year. CMS did not finalize any changes to the scoring methodology for 2021.



## What We Know About COVID-19 Vaccine Distributions Today

On Wednesday, the Trump administration [released](#) their plan to distribute a free COVID-19 vaccine. More developments for emerging distribution plans are expected, as the CDC has [asked](#) certain states to prepare distribution plans for potential coronavirus vaccines as soon as late October. These plans may serve as springboards for future distribution plans across the U.S. The Administration's [strategy](#) includes partnering with state and local levels to communicate public health information, distributing vaccines immediately and safely and monitoring the data from vaccinations. This strategy lays out a flexible framework that can accommodate a range of scenarios based on what and when a vaccine is approved by the FDA.

### Guidance and Infrastructure for COVID-19 Vaccines Distribution So Far

States will likely be leveraging their existing immunization [registries](#) to keep track of who has already received a vaccine. However, the Trump Administration believes that more infrastructure is necessary. Back in May, the Administration [awarded](#) a \$15.9 million, sole-source contract to Deloitte to help public health officials manage immunizations and vaccine supplies. The [National Academies of Medicine](#) also released a framework to assist policy makers in planning for the distribution of the COVID-19 vaccines under conditions of scarcity.

### Details of the Trump Administration's Strategy to Distribute COVID-19 Vaccines

The following are some of the [key details](#) of the Trump Administration's plans for action. The entire COVID-19 Vaccine Program Playbook can be found [here](#).

- The *strategy for distribution* includes the Trump Administration partnering with the state and local levels to allocate and distribute vaccines through a contracted centralized distributor, McKesson, while utilizing HHS' Vaccine Tracking System.

- The *strategy for administration* includes delivering free vaccines to providers and patients and ensuring that traditional and non-traditional administration sites meet requirements for storage and handling of vaccines. The federal government believes supporting the distribution of ancillary supplies, such as needles, is necessary for successful administration.
- The *strategy for monitoring* includes building off of existing IT infrastructure and filling gaps with new IT solutions to ensure adequate vaccine administration and monitoring adverse events.
- The *strategy for engagement* includes building a nationwide network of partners that are trusted sources for target audiences to deliver effective communication strategy.

### Remaining Questions Around Future Vaccine Distribution

The Administration has already [pledged](#) to buy millions of COVID-19 doses from potential vaccine manufacturers, but which states will be getting the first vaccines still remains in question. Additionally, certain requirements that are impacted by what and when a vaccine is approved are yet to be determined. These variables include appropriate storage and dosage requirements, certain distribution details, and which populations can appropriately receive the vaccine.



### As Schools Reopen, Policy Makers Prepare for COVID-19 and the Flu Season

Schools across the nation have reopened, posing new challenges for state and local leaders trying to mitigate the spread of COVID-19. According to the [American Academy of Pediatrics](#), 97,078 children tested positive for COVID-19 in the final two weeks of July; these numbers are expected to continue rising now that schools are open. The upcoming flu season is expected to strain schools further and potentially overwhelm the health care system, including laboratories conducting both flu and COVID-19 diagnostic tests. Below is what we know about other countries' experience reopening their schools, as well as strategies being implemented across the U.S. in preparation for flu season.

## **The Experience of Other Countries**

Recent [studies](#) from other countries that reopened their schools suggest that children are less likely to transmit COVID-19 and those infected tend to be either asymptomatic or have mild symptoms. Despite these encouraging findings, countries that successfully reopened their schools had low community transmission when they reopened compared to the U.S. "For instance in Japan, South Korea, Finland and France, each of those countries had about one or fewer cases per 100,000 people when they reopened," [said](#) Anita Cicero, Deputy Director of the Johns Hopkins Center for Health Security. "In contrast, there are currently some U.S. counties with 80 or more new daily cases per 100,000."

The experiences of [other countries](#) that have already gone through their flu season also suggest that travel restrictions, social distancing measures and the use of face masks can help to reduce the incidence of the flu, particularly in schools. Cases of patients testing positive for both COVID-19 and the flu have also been [rare](#). Despite this, distinguishing between influenza and COVID-19 is expected to be a challenge that is likely to overwhelm laboratories, as flu symptoms in children boost the demand for COVID-19 and flu diagnostic tests.

## **Federal and State Actions in the U.S.**

- The Department of Health and Human Services (HHS) issued an [amendment](#) to the PREP Act allowing pharmacists in all 50 states to give childhood vaccinations, including flu shots.
- The Centers for Disease Control and Prevention (CDC) [ordered](#) an additional 2 million doses of pediatric flu vaccine and 9.3 million adult doses.
- Massachusetts recently became the [first state](#) to require flu vaccination for children six months or older, as well as college students. The law allows exceptions for students with medical and religious exemptions, those who are home-schooled and students studying remotely. New York is currently [considering](#) whether to adopt the same measure.
- Many states are launching outreach campaigns to encourage residents to get the flu vaccine this fall. Michigan is using \$3 million of CARES Act funding for [outreach efforts](#) and purchasing flu vaccines for low-income residents. Louisiana is launching a similar effort, focusing on racial and ethnic minorities, which tend to have [lower vaccination rates](#).



## Updates on COVID-19 Regulations

AHPA continues to follow new COVID-19 regulations, guidance and other government actions. The updates below are the latest guidance and other developments since September 5<sup>th</sup> to help mitigate the impacts of COVID-19. For earlier COVID-19 regulations and guidance, visit the last [Policy Brief](#).

### **New COVID-19 Reporting Guidance for Labs and Long-Term Care Facilities**

- CMS has released new [surveyor guidance](#) for COVID-19 laboratory test result reporting. Labs are expected to comply with the new requirements by September 23<sup>rd</sup> or be subject to civil monetary penalties. This guidance also includes requirements for long-term care facilities.

### **Representing Telehealth Encounters for eQMs**

- CMS has posted additional guidance for using the Quality Reporting Document Architecture I (QRDA I) format to represent telehealth encounters for the Eligible Professional and Eligible Clinician eQMs. This does not change the original guidance posted in July.

[2020 Quality Reporting](#) | [2021 Quality Reporting](#)

### **New Guidance Allows Pharmacists to Order and Administer COVID-19 Vaccinations**

- HHS has issued [guidance](#) authorizing state-licensed pharmacists to order and administer COVID-19 vaccinations to persons over the age of three. Pharmacists must complete a practical training program and continuing education to qualify.

### **Discharge Planning During the Pandemic**

- HHS has published [guidance](#) to support nurses, social workers, case managers and others conducting discharge planning for adults with disabilities who received COVID-19 treatment.

### **Flexibilities for Blood Centers Collecting Investigational Convalescent Plasma**

- The FDA has updated its [guidance document](#) for the use of convalescent plasma. Blood centers that collected convalescent plasma prior to the August 23<sup>rd</sup> Emergency Use Authorization (EUA) will be given 90 days to comply with the EUA's new requirements.

## CMS Announces Model Changes to BPCI-A

In an email to BPCI-Advanced participants, CMS [announced](#) changes aimed at offsetting Medicare losses. Effective January 1<sup>st</sup>, the Agency will adjust target prices retrospectively based on peer group trends. Providers will also be required to select clinical episodes by service line, instead of by individual episode categories as they could before. The email also teased a new mandatory bundled payment model, which CMS plans to launch in 2023 once BPCI concludes.

## CMS Says It Will Withdraw Medicaid Fiscal Accountability Proposed Rule

On Monday, CMS Administrator Seema Verma [tweeted](#) that the Agency plans to withdraw its Medicaid Fiscal Accountability Rule. According to the American Hospital Association, If the proposed rule would have been implemented, the Medicaid program could have faced funding reductions ranging between \$37 - \$49 billion annually. Hospitals were also projected to see Medicaid payment reductions of up to \$31 billion annually, representing 12.8% to 16.9% of total hospital program payments.



### AHPA Resources

- [Webinar Recording: FY 2021 OPPS Proposed Rule](#)
- [Rule Summary: FY 2021 IPPS Final Rule](#)
- [Rule Summary: Interim Final Rule on COVID-19 Reporting](#)
- **Save the Date! AHPA's Webinar on the IPPS final rule is scheduled for Friday, October 2<sup>nd</sup>, from 11:30 AM – 12:00 PM. [Click here](#) to request a calendar invitation.**

## IN OTHER NEWS

[Centrist House Group Offers Bipartisan COVID-19 Relief Deal](#) – The Hill

[Senate COVID-19 Package Fails](#) – AAMC

[Trump Signs Order to Link Medicare Drug Payments to Foreign Prices](#) – Manatt

[A Pandemic, A Motel Without Power and a Terrifying Glimpse of Orlando's Future](#) – Washington Post

[Institute for Health Improvement Launches National Action Plan for Patient Safety](#) – IHA

[Hospitals, Nursing Homes Fail to Separate COVID Patients, Putting Others at Risk](#) – Kaiser