



Policy Brief

August 6, 2021



CMS Releases Final Inpatient Payment Regulation

The Centers for Medicare and Medicaid Services (CMS) has released its annual hospital Inpatient Prospective Payment System (IPPS) [final rule](#). The regulation includes a 2.5% increase to payment rates (instead of the 2.8% originally proposed) and due to COVID-19, a temporary exclusion of respiratory-related performance data from quality programs. The rule also eliminates the requirement that hospitals post median payer-specific negotiated changes on the cost report, a policy requirement unrelated to the price transparency rule currently [under litigation](#).

CMS finalized many changes to IPPS as proposed earlier this summer.

These include:

- Adopting a FY 2022 Disproportionate Share Hospital (DSH) payment of \$7.9 billion, a decrease of about \$1.1 billion compared to FY 2021.
- Adopting an April 1st implementation date for ICD-10-CM and ICD-10-PCS code updates, beginning in 2022.
- Creating a new COVID-19 treatment add-on payment for eligible discharges during the Public Health Emergency (PHE).
- Adopting measure suppression across quality programs to account for the COVID-19 PHE.
- Giving all hospitals a neutral payment adjustment under the Value-based Purchasing program to account for the PHE.
- Adding five new measures to the Inpatient Quality Reporting program, including new measures on COVID-19 vaccination coverage among health care workers.

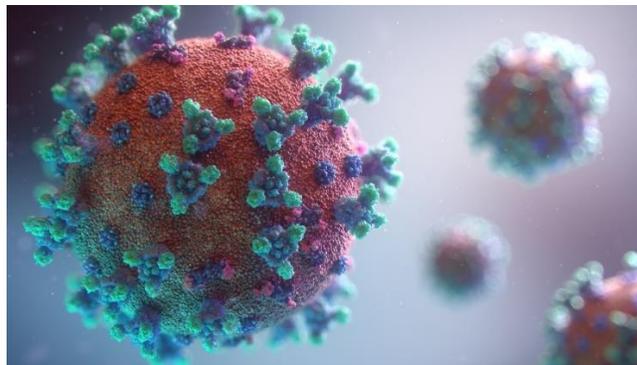
- Requiring that hospitals attest to having completed an annual assessment of all nine Safety Assurance Factors for EHR Resilience (SAFER) guides and achieve a minimum score of 60 points to be considered a meaningful EHR user.

However, CMS elected not to finalize a few of the proposed changes to IPPS.

Although the Agency originally proposed several changes to Medicare organ acquisition payment policies (some of which AHPA voiced significant concerns about), CMS stated that it will hold off on these revisions until future rulemaking. CMS is also not yet finalizing its proposal to add 1,000 new Medicare-funded medical residency slots, although it promises to release its final plan and address stakeholder comments in an upcoming separate document.

AHPA will be hosting a members-only webinar with more details on the FY 2022 IPPS rule.

Stay tuned for a detailed summary of the new rule, a save-the-date for the upcoming webinar or [visit our YouTube page](#) to re-watch the webinar on CMS' original proposals for FY 2022 IPPS.



Delta Variant on the Rise; So Are Vaccination Requirements

COVID-19 numbers are [skyrocketing](#) once again, presenting new challenges as we seek a return to normalcy. The beginning of the summer might have lulled us into a false sense of confidence with dropping infection rates and the relaxation of social distancing and masking requirements; unfortunately, COVID-19's Delta variant is making it known that our soiree with the disease is not over. President Biden has issued new [requirements](#) for federal staff and contractors to speed up the vaccination rate, serving as a possible example for the private sector. Widespread vaccination is essential to beating the disease, eliminating the chances of developing new variants and slowing down the spread of the Delta variant—which is 50% more [contagious](#) than the Alpha.

The Push for Vaccination

The U.S. missed the White House's goal of [administering](#) at least one dose to 70% of U.S. adults by the July fourth holiday. Last week, the Biden Administration made sweeping reforms to federal worker [requirements](#) regarding vaccinations against COVID-19. The requirements now mandate that federal employees attest to their vaccination status. Unvaccinated federal workers must wear

a mask, maintain social distancing, undergo regular testing and be subject to travel restrictions. The federal government wants to allow states and local governments to offer financial incentives to get people vaccinated, financed by funds from the COVID-19 relief bills. The White House is also exploring options at the Pentagon to [require](#) vaccination of military personnel.

Actions from Health Care Systems

The American Hospital Association (AHA) and other hospital organizations have released [statements](#) encouraging hospitals and health systems to implement mandatory COVID-19 vaccination policies. There are still large [groups](#) of hospital staff that are unvaccinated. While numbers vary across the nation, approximately 1 in 4 hospital workers who have contact with patients have not been inoculated. Some state agencies, like the North Carolina Department of Health and Human Services, have announced that they will require employees at all state health care facilities to be fully vaccinated by Sept. 30th. Those who fail to comply will be subject to disciplinary actions, including [dismissal](#). Despite push-back from some employees, we are witnessing rulings from judiciaries in favor of employer mandatory vaccine lawsuits. For example, a [Texas Federal Court](#) dismissed a lawsuit challenging the Houston Methodist Hospital's vaccine requirement policy after a lawsuit was filed by employees.

Push-back Remains Against Mandated Vaccination

While the Biden Administration does not require that workers be vaccinated, they aim to make forgoing vaccination a less-appealing option. This has put the President at odds with some unions, a major part of his Administration's [support base](#). The largest union representing federal employees, the American Federation of Government Employees (AFGE), released a statement voicing concerns about personal freedoms, privacy and the policy's practice. The National Nurses United (NNU) union, which represents 170,000 members nationwide, stated that vaccinations are "critically important," but emphasized the value of "respecting the need for medical and religious accommodations." In the meantime, organizations such as the [American Nurses Association](#), the [American Medical Association](#) and others have expressed their support for mandatory vaccination.



Infrastructure Package Nearing the Finish Line

The Senate recently [released](#) draft legislation of the \$550 billion infrastructure package. The bill contains lofty initiatives to fulfill President Biden’s agenda of supporting national infrastructure, including expanding public transit; supporting power infrastructure; and updating roads, airports and waterways. Proposed funding for home- and community-based care from earlier versions of the plan has been [dropped](#) after negotiations. Despite the lofty price tag, Senate Majority Leader Chuck Schumer (D-NY) [believes](#) that the bill will pass in the next few days, along with a \$3.5 trillion budget resolution. This package not only has indirect implications for health care, it also requires some health care “pay-fors.”

While the infrastructure bill does not directly appropriate money to health care, several provisions indirectly impact community health.

The draft legislation provides \$65 billion to develop broadband infrastructure, which will help increase access to telehealth—particularly for rural areas. The package also includes resiliency spending, aiming to strengthen the supply chain that was rocked by the COVID-19 pandemic. The resiliency spending includes support for PPE and critical drug domestic manufacturing, which will help the U.S. not have to rely so heavily on other countries in times of emergency.

Right now, lawmakers are eyeing health care as a potential “pay-for” for the package.

The \$550 billion price tag on the draft Senate legislation had some Democratic legislators balking. Democrats are reaching far and wide to pay for this bill, including using funds that were meant for health care. These health care “pay-for” provisions include:

- Extending the 2% Medicare sequestration, providing \$8.7 billion.
- Using Medicare Part B rebates from manufacturers for excess/discarded single-use drugs starting in 2023, providing \$3 billion.
- Taking back \$205 billion of unspent COVID-19 appropriations, some of which were directed to health care.
- Delaying the Trump Drug Rebate Rule to January 2026, which provides \$46 billion.

The looming August recess could delay the bill’s passing.

While Senate Majority Leader Chuck Schumer (D-NY) believes that this infrastructure bill will advance, it could take up to September if the Senate does not pass it before the August recess.

In addition to the passage of the infrastructure bill, the Senate is also planning on passing an even larger partisan “human infrastructure” [package](#) that will be tied to the budget reconciliation bill.

Updates to 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 July 30th to help mitigate the impacts of COVID-19.

Updated CDC Guidance Recommends Vaccinated Individuals Wear Masks Indoors

The CDC has updated its [mask guidance](#) to recommend that people in areas with high rates of transmission of COVID-19 continue to wear masks indoors, even if they are vaccinated.

CDC Also Updates COVID-19 Testing Guidance for Vaccinated Persons

The CDC also updated its [testing guidance](#) to recommend that fully vaccinated people who have potentially been exposed to COVID-19 get tested, a reversal of the CDC’s previous guidance for asymptomatic vaccinated people.

COVID-19 Public Health Emergency Renewed Through October

As of July 20th, Secretary Becerra has [renewed](#) the COVID-19 public health emergency until October 18, 2021.



AHPA Resources

Save-the-Date: AHPA will be hosting a webinar on the CY 2022 OPPS proposed rule on Friday, August 20th.

AHPA Webinar on OPPS and PFS CY 2022 Proposed Rule

Friday, August 20, 2021

1:00PM – 2:00PM EST

[Request a Calendar Invitation](#)

Missed AHPA's IPPS Webinar? No problem!

Visit AHPA's [YouTube channel](#), where members can stream webinars on the major proposed rules at their convenience.

- [Webinar: Highlights from the Latest IPPS Proposed Rule \(Video\)](#)
- [Webinar Slides \(.PPT\)](#)

WHAT WE'RE READING...

[Trump Health Chief Urges Vaccinations](#) – NY Times

[Pandemic Still A Crisis for Unpaid Caregivers](#) – Vox

[CDC Announces New Eviction Ban](#) – Politico

[Latinos Are the Most Eager to Get Vaccinated, Survey Shows—But Face Obstacles](#) – KHN