

## FFY 2022 INPATIENT REHABILITATION FACILITY PROSPECTIVE PAYMENT SYSTEM FINAL RULE (CMS-1748-F)

On Aug. 4, the Centers for Medicare & Medicaid Services (CMS) posted the federal fiscal year (FFY) 2022 Inpatient Rehabilitation Facility (IRF) Prospective Payment System (PPS) [final rule](#) effective Oct. 1, 2021 through Sept. 30, 2022. CMS estimates a 1.5% increase in IRF PPS payments compared to FFY 2021.

**Market Basket:** CMS finalized a market basket update of 2.6% (proposed at 2.4%), a multi-factor productivity (MFP) reduction of 0.7 percentage points (proposed at 0.2 percentage points), a wage index labor-related budget neutrality adjustment of 1.0032 (proposed at 1.0027) and a case-mix groups (CMGs) and CMG relative weight revisions budget neutrality adjustment of 1.0005 (proposed at 1.0000). IRFs that fail to submit required quality data will experience a 2-percentage point reduction to their payment rate.

**Standard Payment Conversion Factor:** The final IRF standard payment conversion factor for FFY 2022 is \$17,240 (proposed at \$17,273), up from \$16,856 in FFY 2021. This represents a 2.28% increase in the payment conversion factor from FFY 2021. Table 6 in the final rule (*pp. 42380-42381*) displays the FFY 2022 payment rates after application of case-mix group (CMG) relative weights.

**Case-Mix Group (CMG) Relative Weights:** CMS finalized updates to the CMG relative weights and average lengths of stay (ALOS) for FFY 2022 using FFY 2020 IRF claims data and FFY 2019 IRF cost report data. CMS will apply a FFY 2022 case-mix budget neutrality factor of 1.0005 to compensate for the CMG weights changes.

CMS is not making changes to the CMG categories and definitions. Using FFY 2020 claims data, CMS showed that 97.2% of IRF cases are in CMGs and tiers that would experience less than a +/- 5% change in its CMG relative weight as a result of the updates. FFY 2022 CMG weights and ALOS values are in Table 2 (*pp. 42369-42372*).

**Wage Index:** Final FFY 2022 Illinois wage index values by core-based statistical area (CBSA), found on CMS' [website](#), are below:

CBSA	Final FFY 2022	Final FFY 2021
Bloomington	0.9269	0.9114
Cape Girardeau	0.8282	0.8019
Carbondale	0.8179	0.8184
Champaign-Urbana	0.8680	0.8655
Chicago-Naperville-Evanston	1.0372	1.0442
Danville	0.9407	0.9032
Decatur	0.8353	0.8326
Elgin	1.0232	1.0559

Kankakee	0.8914	0.9068
Lake County	1.0047	1.0192
Peoria	0.8457	0.8644
Rock Island	0.8373	0.8520
Rockford	0.9901	0.9693
St. Louis	0.9583	0.9317
Springfield	0.9136	0.9256
Rural	0.8401	0.8297

CMS decreased the labor-related share of the standard rate from 73.0% in FFY 2021 to 72.9% in FFY 2022.

**Outlier Payments:** CMS finalized an outlier threshold amount of \$9,491 (proposed at \$9,192) for FFY 2022, a 20% increase from \$7,906 in FFY 2021. CMS explains this increase as necessary to maintain estimated outlier payments at approximately 3% of total estimated aggregate IRF payments for FY 2022. CMS utilized FFY 2020 claims to establish the IRF PPS outlier threshold.

**IRF Cost-to-Charge Ratio (CCR) Ceiling:** For FFY 2022, CMS proposed a national CCR ceiling of 1.35 (proposed at 1.34), a rural average CCR of 0.478 (as proposed) and an urban average CCR of 0.394 (proposed at 0.393).

**IRF Quality Reporting Program (QRP):** CMS finalized the adoption of COVID-19 Vaccination Coverage among Healthcare Personnel for the FFY 2023 IRF QRP. IRFs must submit data beginning Oct. 1, 2021, and CMS will publicly report the COVID-HCP measure beginning with the September 2022 refresh of Care Compare, or as soon as feasible.

CMS also adopted its update to the denominator of the Transfer of Health Information to the Patient-Post Acute Care measure to exclude patients discharged home under the care of an organized home health service or hospice. This will align the IRF QRP measure with other quality reporting programs, and avoid counting patients in both Transfer of Health measures.

The previously adopted IRF measures for FFY 2022 payment determinations are as follows:

IRF QRP Measures	NQF #
National Healthcare Safety Network (NHSN) Catheter-Associated Urinary Tract Infection (CAUTI) Outcome Measure	#0138
Influenza Vaccination Coverage among Healthcare Personnel	#0431
NHSN Facility-Wide Inpatient Hospital-Onset Clostridium Difficile Infection (CDI) Outcome Measure	#1717
Application of Percent of Residents Experiencing One or More Falls with Major Injury (Long Stay)	#0674
Application of Percent of LTCH Patients with an Admission and Discharge Functional Assessment and a Care Plan That Addresses Function	#2631
IRF Functional Outcome Measure: Change in Self-Care Score for Medical Rehabilitation Patients	#2633
IRF Functional Outcome Measure: Change in Mobility Score for Medical Rehabilitation Patients	#2634

IRF Functional Outcome Measure: Discharge Self-Care Score for Medical Rehabilitation Patients	#2635
IRF Functional Outcome Measure: Discharge Mobility Score for Medical Rehabilitation Patients	#2636
Discharge to community – Post Acute Care IRF, with the added exclusion of patients with a hospice benefit in the 31-day post-discharge observation window	
Medicare Spending Per Beneficiary - Post Acute Care IRF	
Potentially Preventable 30 Day Post-Discharge Readmission Measure for IRFs	
Potentially Preventable Within Stay Readmission Measure for IRFs	
Drug Regimen Review Conducted with Follow-Up for Identified Issues (assessment-based)	
Changes in Skin Integrity Post-Acute Care: Pressure Ulcer/Injury	
Transfer of Health Information to the Provider-PAC	
Transfer of Health Information to the Patient-PAC	

**Public Reporting of IRF QRP Measures Impacted by COVID-19 Exemptions:** CMS did not use IRF assessments or claims from Q1 or Q2 2020 for public reporting due to the COVID-19 PHE. Therefore, CMS froze the data displayed on Care Compare with the December 2020 refresh. To avoid posting increasingly outdated data, CMS finalized the use of fewer quarters of data for future refreshes. The finalized refresh schedule and associated data periods are as follows:

Quarter Refresh	IRF-PAI Assessment Quarters for Care Compare (number of quarters)	Claims-based Quarters for Care Compare (number of quarters)	CDI and CAUTI Quarters for Care Compare (number of quarters)	HCP Influenza Quarters for Care Compare (number of quarters)
December 2020	Q1 2019 – Q4 2019 (4)	Q4 2017 – Q3 2019 (8)	Q4 2018 – Q3 2019 (4)	Q4 2017 – Q1 2018 (2)
March 2021	Q1 2019 – Q4 2019 (4)	Q4 2017 – Q3 2019 (8)	Q4 2018 – Q3 2019 (4)	Q4 2017 – Q1 2018 (2)
June 2021	Q1 2019 – Q4 2019 (4)	Q4 2017 – Q3 2019 (8)	Q4 2018 – Q3 2019 (4)	Q4 2017 – Q1 2018 (2)
September 2021	Q1 2019 – Q4 2019 (4)	Q4 2017 – Q3 2019 (8)	Q4 2018 – Q3 2019 (4)	Q4 2017 – Q1 2018 (2)
December 2021	Q3 2020 – Q4 2021 (3)	Q4 2018 – Q4 2019, Q3 2020 (6)	Q1 2019 – Q4 2019 (4)	Q4 2018 – Q1 2019 (2)
March 2022	Q3 2020 – Q2 2021 (4) *Normal reporting resumes with 4 quarters of data	Q4 2018 – Q4 2019, Q3 2020 (6)	Q2 2019 – Q4 2019, Q3 2020 (4)	Q4 2018 – Q1 2019 (2)
June 2022		Q4 2018 – Q4 2019, Q3 2020 (6)	Q3 2020 – Q2 2021 (4)	Q4 2018 – Q1 2019 (2)

			*Normal reporting resumes with 4 quarters of data	
September 2022	*Normal reporting resumes with 4 quarters of data	Q4 2019, Q3 2020 – Q3 2021 (6)	*Normal reporting resumes with 4 quarters of data	Q4 2018 – Q1 2019 (2)
December 2022		Q4 2019, Q3 2020 – Q3 2021 (6)		Q4 2018 – Q1 2019 (2) *Normal reporting resumes
March 2023		Q4 2019, Q3 2020 – Q3 2021 (6)		*Normal reporting resumes
June 2023		Q4 2019, Q3 2020 – Q3 2021 (6)		
September 2023		Q4 2020 – Q3 2022 (8) *Normal reporting resumes with 8 quarters of data		

**Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS):** CMS made several DMEPOS policy modifications in this final rule. In May 2018, CMS finalized a policy to exempt accessories and seat and back cushions furnished in connection with Group 3 or higher complex rehabilitative power wheelchairs from fee schedule adjustments. Instead, CMS finalized using prices for these items when furnished with standard power wheelchairs, or Group 2 complex rehabilitative power wheelchairs under the DMEPOS Competitive Bidding Program. In this FFY 2022 IRF PPS final rule, CMS extended this policy to exempt accessories, including seating systems, and seat and back cushions furnished in connection with complex rehabilitative manual wheelchairs and other complex manual wheelchairs described by HCPCS codes E1235, E1236, E1237, E1238, and K0008 from fee schedule adjustments, based on information from the Competitive Bidding Program.

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Sources:  
 Centers for Medicare & Medicaid Services. Medicare Program; Inpatient Rehabilitation Facility Prospective Payment System for Federal Fiscal Year 2022 and Updates to the IRF Quality Reporting Program. August 4, 2021. Available from: <https://www.federalregister.gov/documents/2021/08/04/2021-16310/medicare-program-inpatient-rehabilitation-facility-prospective-payment-system-for-federal-fiscal>. Accessed August 12, 2021.  
 Centers for Medicare & Medicaid Services. CMS-1748-FY 2022 IRF PPS Data Files. Available from: <https://www.cms.gov/medicare/medicare-fee-service-payment/inpatientrehabfacppsirf-rules-and-related-files/cms-1748-f>. Accessed August 12, 2021.