

# CMS RELEASES FY 2023 HOSPITAL FINAL RULE FOR IPPS AND LTCH

*Details surrounding the ruling for the federal fiscal year 2023 Inpatient Prospective Payment System (IPPS) and Long-Term Care Hospital (LTCH) Payment System.*

## INITIAL RULING

On August 1, 2022, the Centers for Medicare and Medicaid Services (CMS) released the FY 2023 Hospital Inpatient Prospective Payment System (IPPS) and Long-Term Care Hospital Prospective Payment System (LTCH PPS) Final Rule (1), detailing improvements built on key priorities to advance health equity.

Within the ruling, CMS announced it is adopting ten new quality reporting measures, refining two current measures, and making changes to the existing Electronic Clinical Quality Measure (eCQM) reporting and submission requirements. It is also updating established reporting and submission requirements for patient-reported outcome-based performance measures. The measures begin with voluntary reporting periods followed by mandatory reporting periods.

To review all the requirements, please check out [CMS.gov](https://www.cms.gov) for more information.

## HISTORY OF CMS AND EHR

CMS has been historically active in encouraging Eligible Professionals (EP), eligible hospitals, and Critical Access Hospitals (CAHs) to adopt, implement, upgrade, and demonstrate meaningful use of certified electronic health record technology (CEHRT) (2). In 2011, CMS established the Medicare and Medicaid EHR Incentive Programs (now known as the Medicare Promoting Interoperability Program) to continuously improve health outcomes through quality reporting. It focused on establishing requirements for the electronic capture of clinical data and using CEHRT for continuous quality improvement at the point of care and the exchange of information in the most structured format possible.

CMS continues to implement a performance-based scoring methodology. Eligible hospitals and CAHs are required to report certain measures from each of the four objectives (Electronic Prescribing, Health Information Exchange, Provider to Patient Exchange, and Public Health and Clinical Data Exchange) with performance-based scoring occurring at the individual measure-level.

## WHAT DOES THIS MEAN FOR ELIGIBLE HOSPITALS AND CAHS?

Making the necessary changes may involve implementing new software and infrastructure for interoperability, prompting many systems to call for CMS to provide aid for the expenses necessary for maintenance. The call to CMS grows stronger as many smaller and rural hospitals face staffing shortages and increasing economic pressure due to raising inflation rates. Not all hospitals can cover the cost for additional resources and technology. Many of the hospitals who will struggle to implement these changes are also the ones who stand a greater chance of penalization with the new CMS rules. It is yet to be determined what role CMS may play, if any, to assist with the implementation of the changes.

## HOW CAN TREXIN HELP?

As an eligible hospital or CAH, your organization will be going through several changes as you work to incorporate the new CMS requirements. If your organization is interested in assistance with your implementation, [please reach out to Trexin Consulting](#).



This TIP was written by Sena Hanson. Sena welcomes comments and discussion on this topic and can be reached at [sena.hanson@trexin.com](mailto:sena.hanson@trexin.com).

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