

REFORMS CONTINUE TRANSITION TO MORE ACCURATE PAYMENT SYSTEM; PROMOTE QUALITY CARE FOR ALL HOSPITALIZED PATIENTS

The Centers for Medicare & Medicaid Services (CMS) issued a final rule on August 1, 2007 that takes significant steps to improve the accuracy of Medicare's payment under the acute care hospital inpatient prospective payment system (IPPS), while providing additional incentives for hospitals to engage in quality improvement efforts.

"The IPPS payment reforms we are making today finalize the changes we proposed in April and build upon three years of consistent, incremental improvements to Medicare inpatient hospital payments," CMS Acting Deputy Administrator Herb Kuhn said. "With these changes – first proposed by the Medicare Payment Advisory Commission in 2005 – Medicare payments for inpatient services will be more accurate and better reflect the severity of the patient's condition."

The IPPS payment reforms would restructure the inpatient diagnosis-related groups (DRGs) to account more fully for the severity of each patient's condition. In addition, the rule includes important provisions to ensure that Medicare no longer pays for the additional costs of certain preventable conditions (including certain infections) acquired in the hospital.

Publication date for this rule will be August 22, 2007.

To read the CMS Press Release issued today, click here:  
[http://www.cms.hhs.gov/apps/media/press\\_releases.asp](http://www.cms.hhs.gov/apps/media/press_releases.asp)

To read the CMS Fact Sheets issued today, click here:  
[http://www.cms.hhs.gov/apps/media/fact\\_sheets.asp](http://www.cms.hhs.gov/apps/media/fact_sheets.asp)

To read the rule click here:

<http://www.cms.hhs.gov/AcuteInpatientPPS/IPPS/list.asp#TopOfPage>  
<<http://www.cms.hhs.gov/AcuteInpatientPPS/IPPS/list.asp>>

<http://www.cms.hhs.gov/AcuteInpatientPPS/WIFN/list.asp#TopOfPage>  
<<http://www.cms.hhs.gov/AcuteInpatientPPS/WIFN/list.asp>>

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