

Dear SHEA Member:

As previously noted, CMS has released its fiscal year (FY) 2011 Medicare inpatient prospective payment system (IPPS) [interim final rule](#). The rule reflects policies for FY 2011, including those mandated by the Patient Protection and Affordable Care Act (PPACA), which will reduce hospital payments on average by -0.4 percent. The final rule responds to comments received by CMS on both the proposed rule and the supplemental proposed rule, which appeared in the May 4 and June 2 issues of the *Federal Register*, respectively.

### **Key Changes**

- CMS is updating acute care hospital rates by 2.35 percent. This update reflects a market basket increase of 2.6 percent for inflation, which is a slight increase over the FY 2010 inflation rate. The final rule reduces the 2.6 percent inflation update by 0.25 percent, as required by the Affordable Care Act.
- In addition to the PPACA reduction, CMS finalized a -2.9 percent adjustment to base FY 2011 inpatient rates to recoup half of the effect of documentation and coding changes remaining as a result of the implementation of Medicare-severity diagnosis-related groups (MS-DRGs) in 2008 and 2009. CMS indicated the other half of the recoupment adjustment would occur in FY 2012. The hospital specific rates for Medicare dependent and sole community hospitals will also be reduced by 2.9 percent.
- As proposed, CMS is adding the following eight existing hospital-acquired conditions (HACs) categories to the Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) program for FY 2012 payment determination.
  - Foreign Object Retained After Surgery
  - Air Embolism
  - Blood Incompatibility
  - Pressure Ulcer Stages III & IV
  - Falls and Trauma (includes: Fracture, Dislocation, Intracranial Injury, Crushing, Injury, Burn, Electric Shock)
  - Vascular Catheter-Associated Infection [Note: This is the same HAI HAC as used by CMS for the past year but it will now be reimbursed through RHQDAPU (commonly referenced as the Market Basket update)]. It covers occurrence of such infection across the entire hospital. It does not include peripheral IVs nor arterial catheters).
  - Catheter-Associated Urinary Tract Infection (CAUTI) (This is also the same HAI HAC used by CMS for the past year and will now be reimbursed through the RHQDAPU. It will follow the same algorithm using claims data established last year and is not the CDC/NHSN definition).
  - Manifestations of Poor Glycemic Control
- Note that CMS is finalizing only one HHS HAI measure using NHSN for FY 2013 payment determination – the CLABSI measure, which assesses the rate of laboratory-confirmed cases of bloodstream infection or clinical sepsis *among ICU and NICU patients* (endorsed by the NQF in 2005 and adopted by HQA in 2007). This is the only NHSN measure requiring data collection starting with January 2011 discharges.

### **More Work Needed**

The Surgical Site Infection (SSI) list for collection in NHSN starting in 2012 and eligible for reimbursement in FY 2014 have not been clearly defined although CMS refers to all categories currently listed for the Surgical Care Improvement Program (SCIP). SHEA will continue to monitor developments and provide input as appropriate.

For the NQF-endorsed measure, the SSI procedures are (apply to both adult and pediatric populations):

- coronary artery bypass graft
- other cardiac surgery
- hip or knee arthroplasty
- colon surgery
- hysterectomy (abdominal and vaginal)
- vascular surgery

SHEA is pleased that CMS responded to the recommendations of experts in the field (see [SHEA FY 2011 IPPS Comments June 2010](#)) and based the rule upon reporting to the CDC National Healthcare Safety Network (NHSN). Our comments were acknowledged in the CMS final rule as contributing to their decision to delay the SSI data collection until 2012. This action represents an important first step toward creating a national public reporting system that can be used to guide and monitor our efforts to eliminate HAIs. This system uses a set of standardized definitions across all acute care settings and data is collected by individuals trained in infection prevention and control. Reported rates will be published on Hospital Compare and we hope this will fuel the effort to eliminate HAIs. While the data may have limited *immediate* impact on a patient's choice of healthcare facility, in the long-term, it should serve as a basis for patients and families to identify key questions that can guide and improve their care.

***What action can you take?***

SHEA members are encouraged to enroll *now* in NHSN and locate training opportunities within your state or consider partnering with local hospitals that are enrolled/using NHSN in order to get as much experience as possible. The following NHSN website is an excellent source of information: (<http://www.cdc.gov/nhsn/library.htm>).

We look forward to working with CMS and the CDC to refine the system, to create transparent and accurate national public reporting, and to achieve our common goal of eliminating HAIs.

A [CMS fact sheet](#) related to the FY 2011 IPPS Final Rule is available on the agency's website.

Sincerely,



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