CMS Proposes 2012 Pay Cut for Hospitals

BY ALICIA AULT

The Centers for Medicare and Medicaid Services has announced that it is proposing to reduce payments for hospitals by $498 million, or 0.55%, in fiscal 2012.

The proposals under the Inpatient Prospective Payment System and the Long-Term Care Hospital Prospective Payment System continue a flat-to-downward trend in Medicare reimbursement over the past few years. The agency is adjusting for overpayments made for coding errors in the previous fiscal years, according to Ira Loss and his colleagues at Washington Analysis, a company that monitors policy developments for investor clients.

The cuts will "will maintain pressure on makers and suppliers of certain device categories, like orthopedics, general surgery, routine lab tests, and medical supplies, for the foreseeable future," said Mr. Loss.

Announced Apr. 19, the proposed rule also contains new quality improvement proposals that "reflect an underlying premise that we can improve the quality of and access to care while at the same time slowing the growth in health care spending," CMS Administrator Donald Berwick said in a statement.

The rule will encourage support of the recently announced Partnerships for Patients, a joint effort by the Department of Health and Human Services and private entities to improve patient safety and quality.

Beginning in fiscal 2013, the agency is to start reducing payments to hospitals that have excess readmissions for certain conditions. The proposed rule lays the groundwork for that by publishing rates of readmissions for three conditions: acute myocardial infarction, heart failure, and pneumonia.

The proposal also would add one category to the list of hospital-acquired conditions that the CMS will not pay for at a higher rate, if the condition occurred during the hospital stay. That category is acute renal failure after contrast administration (known as contrast-induced acute kidney injury, or CI-AKI).

The new rule contains provisions that will support the hospital value-based purchasing regulation when that final rule is issued in "the near future." One of those proposals is to adopt a Medicare Spending per Beneficiary Measure for the value-based purchasing program.

The CMS proposes to reduce the reporting burden for physicians and hospitals by retiring some quality measures, introducing others that will more closely align with measures collected for other purposes, and streamlining the submissions process.

Cardiac and orthopedic procedures will see an overall slight reduction in payment, according to Washington Analysis. Heart transplants and heart assist systems will have a 9% pay reduction. Defibrillator implantation will range from a decrease of 2.1% to an increase of 4.5%, depending on the patient's status, the analysts said. Deep brain stimulation, vagus nerve stimulation for epilepsy, and spinal cord stimulation will see a small increase.

The rule is open for comment until June 20. The final rule is scheduled to be issued by Aug. 1. ■

Drug-Related Adverse Events Soar, Add Cost to Hospital Stays

BY MARY ELLEN SCHNEIDER

FROM THE AGENCY FOR HEALTHCARE RESEARCH AND QUALITY

Drug-related adverse events were reported in 1.9 million hospital stays in 2008, a 52% increase in 5 years, according to figures from the Agency for Healthcare Research and Quality.

The vast majority of hospital stays associated with drug-related injuries and illnesses, nearly 93%, were attributed to allergic or hypersensitivity reactions. A total of 7% of hospital stays were related to medication poisonings caused by accidental drug overdose or taking the wrong drug.

The data include adverse reactions that originated both in and out of the hospital but resulted in a hospital stay. Researchers aimed to exclude stays resulting from illegal drug use or cases where there was evidence that patients were trying to harm themselves.

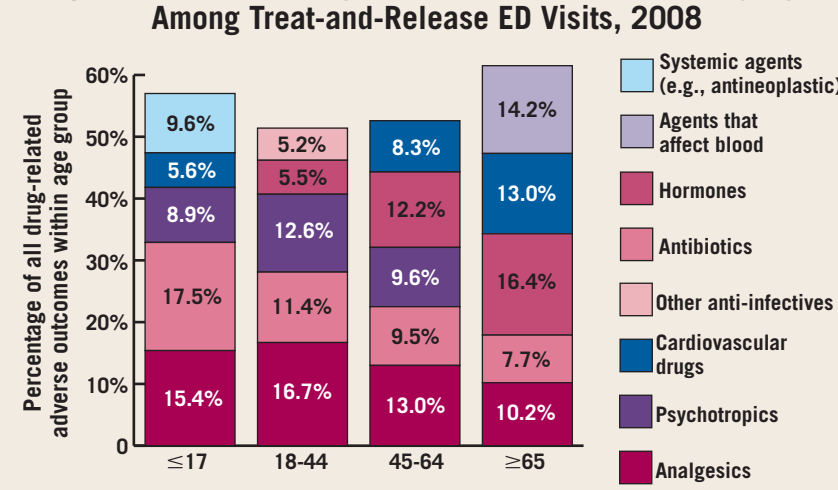
Corticosteroids topped the list of drugs causing adverse events in 2008. AHRQ data showed that corticosteroids accounted for more than 283,000 events during inpatient stays in 2008. Corticosteroids were linked to 11.8% of drug-related adverse events in 2004, but that figure rose to 13.2% in 2008. Opiates, anticoagulants, and antineoplastic and immunosuppressive drugs were also high on the list in 2008.

Drug-related adverse events also carried a hefty price tag: In 2008, the average hospital stay for cases with any drug-related adverse outcome was $13,600, compared with an average of $9,200 for all stays.

Inpatient drug-related adverse events disproportionately affected older patients. In 2008, 53% of drug-related adverse outcomes in the hospital were among patients aged 65 years and older. About 30% of adverse outcomes occurred among patients aged 45-64 years, about 14% were among patients aged 18-44, and 3% were among children under age 18.

The AHRQ figures are based on data from the 2008 HCUP Nationwide Inpatient Sample, a nationwide database of community hospital stays in the United States. ■

Top Five Causes of Drug-Related Adverse Outcomes by Age Among Treat-and-Release ED Visits, 2008



Note: More than one event can be recorded during an ED visit.
Source: Agency for Healthcare Research and Quality

ELSEVIER GLOBAL MEDICAL NEWS

Outpatient Pay Rule Includes Preventive Screening Coverage

BY ALICIA AULT

The Centers for Medicare and Medicaid Services issued its final rule on outpatient and ambulatory surgery center payments for 2011, clearing the way for beneficiaries to receive cost-free preventive screenings.

The elimination of cost-sharing is among the provisions of the Affordable Care Act being implemented through the outpatient and ambulatory surgical center (ASC) rule.

"We know that prevention, early detection, and early treatment of diseases can promote better outcomes for patients and lower long-term health spending," said Dr. Donald Berwick, CMS administrator.

The rule prohibits development of new physician-owned hospitals or expansion of existing physician-owned facilities.

The agency is proposing to cut payments for radiology services by 10%. The reduction is based on the assumption that imaging equipment is now being used at a higher rate to calculate payments, according to the agency.

Radiation therapy, however, received a slight bump up in pay.

Overall, the CMS estimates that it will pay $39 billion in 2011 for outpatient services, and another $4 billion for services delivered to Medicare beneficiaries in ASCs. The nation's 5,000 ASCs will be paid for the first time under a revised rate system that more closely aligns reimbursement with hospital outpatient pay.

The agency issued some new quality reporting requirements for outpatient services. Providers now have 4 new quality measures to report on, added to the 11 already required. Another eight measures will be added in 2012. ■

Patients Can Access Data on Hospital-Acquired Conditions

Patients can now go to Medicare's Hospital Compare Web site to see how hospitals are doing in preventing certain adverse events and infections.

The Centers for Medicare and Medicaid Services is providing data on eight hospital-acquired conditions: vascular catheter-associated bloodstream infections; catheter-associated urinary tract infections; blood incompatibility; pressure ulcers stages III and IV; air embolism; objects left in the patient after surgery; injuries during a hospital stay such as falls and trauma; and manifestations of poor glycemic control.

The CMS began collecting data on these conditions in 2007, and since 2008, Medicare has refused to provide additional payment if one of these conditions occurs during the patient's hospital stay. Each of the eight conditions is costly and happens frequently during inpatient stays for Medicare patients, according to the agency. The conditions were also chosen because Medicare officials consider them to be reasonably preventable through the use of evidence-based guidelines.

Data from October 2008 through June 2010 are available through a downloadable file on the Hospital Compare Web site. The CMS plans to integrate the data directly into the site framework later this year.

–Mary Ellen Schneider