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## Expensive Consequences: Failure to Report RHQDAPU Data Will Have Significant Impact Under FY 2010 Acute Care IPPS Rule

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Hospitals that do not accurately and completely report quality data under the Reporting Hospital Quality Data for Annual Payment Update (RHQDAPU) program stand to lose virtually all of their market basket update for fiscal year (FY) 2010. On July 30, 2009, the Centers for Medicare and Medicaid Services (CMS) released a display copy of the FY 2010 Inpatient Prospective Payment System (IPPS) Final Rule, which includes changes to rebase and revise the market basket update calculation, as well as several important changes to the RHQDAPU program for FY 2010 and beyond.

### Changes to the FY 2010 Market Basket Update

In the Final Rule, CMS rebases and revises the structure of both the operating and capital market baskets for the FY 2010 update. The new calculation, which uses FY 2006 data rather than FY 2002, and adds several expense categories, results in a 2.1 percent market basket update for FY 2010 for hospitals that report quality data under the RHQDAPU program. This total market basket update is significantly lower than the market basket update available in FY 2009 of 3.6 percent. Hospitals that fail to report quality data under the RHQDAPU program are subject to a 2.0 percent reduction in their market basket update, resulting in eligibility for only a 0.1 percent update for FY 2010.

### New Quality Measures for FY 2011

CMS retains the 43 current quality measures for the FY 2010 update and adds four additional quality measures for the FY 2011 payment update. Two of the additional measures will require chart-abstracted data relating to the Surgical Care Improvement Project (SCIP):

- SCIP-Infection-9: Postoperative Urinary Catheter Removal on Post Operative Day 1 or 2
- SCIP-Infection-10: Perioperative Temperature Management

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The two other added measures are "structural" and require hospitals to report whether they participate in certain registries:

- Participation in a Systematic Clinical Database Registry for Stroke Care
- Participation in a Systematic Clinical Database Registry for Nursing Sensitive Care

CMS is careful to note that hospitals are not required to actually participate in these registries but, rather, must only report on participation status in order to meet the RHQDAPU program requirements.

## Changes to the Validation Process for FY 2012

CMS has adopted as final a new sampling methodology for the chart validation process under the RHQDAPU program that will become effective beginning with the FY 2012 update. Historically, CMS required each participating hospital with six or more qualifying discharges to submit a random sample of five medical charts for each reporting quarter to CMS Clinical Data Abstraction Center (CDAC) contractors. CDAC contractors re-abstract data from the medical charts and compare the results with the hospital's submitted data. A hospital's data is considered "validated"; if its overall validation (agreement) rate is 80 percent or greater.

Beginning with the FY 2012 payment update, rather than validate data for every qualifying hospital, CMS will randomly select 800 hospitals that submitted chart-abstracted data for at least 100 combined discharges during the calendar year three years prior to the FY of the relevant payment determination. For each hospital selected, CMS will validate a stratified sample of medical charts for 12 cases per quarter, with at least one but no more than three cases per topic for which chart-abstracted data was submitted by the hospital. CMS is also reducing the passing threshold from 80 percent to 75 percent. Therefore, for the FY 2012 payment determination and subsequent years, selected hospitals that do not meet the 75 percent validation score per quarter will have their market basket update reduced by 2.0 percent.

Several commenters noted that because hospitals will be selected at random each year there is no guarantee that a hospital selected for validation one year would not be selected the following year as well. These hospitals suggested that CMS set up a system whereby hospitals receiving high validation scores would not be selected again until two years later or, alternatively, limit hospital selection to twice within a 5-year period to even out the burden on selected hospitals. CMS has chosen not to adopt such proposals at this time and, instead, intends to continue with a random sample of hospitals for validation each year.

## Electronic Acknowledgement

For the FY 2011 payment determination and subsequent years, CMS has adopted a requirement that hospitals electronically acknowledge on an annual basis the completeness and accuracy of the data submitted for the RHQDAPU program. Hospitals will submit the acknowledgment through the Quality Improvement Organization (QIO) Clinical Warehouse.

**Ober|Kaler's Comments:** The foregoing changes indicate CMS' continued commitment to ensuring that hospitals submit and report on quality data under the RHQDAPU program. Hospitals should be careful to ensure that they are submitting accurate and complete quality data for each qualifying discharge to avoid substantial financial penalty. Failure to submit complete and accurate data on even a single case may lead to losing substantially all of the market basket update for FY 2010 and subsequent years.

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