

Small Entity Compliance Guide

Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Fiscal Year 2014 Rates; Quality Reporting Requirements for Specific Providers; Hospital Conditions of Participation; Payment Policies Related to Patient Status

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CMS-1599-F & 1455-F RIN 0938-AR53 and RIN 0938-AR73

The Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA, Pub.L. 104-121, as amended by Pub. L. 110-28, May 25, 2007) contains requirements for issuance of “small entity compliance guides.” Guides are to explain what actions affected entities must take to comply with agency rules. Such guides must be prepared when agencies issue final rules for which agencies were required to prepare a Final Regulatory Flexibility Analysis under the Regulatory Flexibility Act.

The complete text of this rule can be found on the CMS Web site at:

<http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY-2013-IPPS-Final-Rule-Home-Page.html>. This rule revises the Medicare hospital inpatient prospective payment systems (IPPS) for operating and capital-related costs of acute care hospitals to implement changes arising from our continuing experience with these systems. Some of the changes implement certain statutory provisions contained in the Patient Protection and Affordable Care Act and the Health Care and Education Reconciliation Act of 2010 (collectively known as the Affordable Care Act) and other legislation. These changes will be applicable to discharges occurring on or after October 1, 2013, unless otherwise specified in this final rule.

The great majority of the hospitals that participate in Medicare are small entities, either because their revenues fall below the Small Business Administration’s size standards for small businesses (revenues of \$34.5 million or less in any 1 year), or because they are nonprofit, or both. Accordingly, our analysis under the Regulatory Flexibility Act assumes that all hospitals are small entities.

The effects of this final rule vary considerably by type of hospital, location, bed size, and other variables. Overall, we estimate that payments to IPPS hospitals will increase by about 0.7 percent on average in Federal Fiscal Year 2014 (Note: This figure is less than the estimate provided in CMS-1599-P.)

This rule imposes no direct Federal compliance requirements on hospitals. In order to assist hospitals in understanding and adapting to changes in Medicare regulations and in billing and payment procedures, we have developed a Hospital Center Web page for hospitals that includes substantial downloadable explanatory materials at <http://www.cms.hhs.gov/center/hospital.asp>. In addition, there is a Web page devoted specifically to the inpatient prospective payment system

that includes substantial information at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY-2013-IPPS-Final-Rule-Home-Page.html>