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From: Diane Millman

Re: Inpatient Prospective Payment System (IPPS) Final Rule for 2020

Date: August 7, 2019

CMS has released the IPPS Final Rule for 2020, which is scheduled for publication in the Federal Register on August 16, 2019. This memo summarizes CMS' response to ASTS' comments on the 2020 IPPS Proposed Rule, provides the 2020 IPPS rates for transplant procedures, and describes other elements of the 2020 IPPS Final Rule of interest to ASTS members.

CMS Response to ASTS Comments

In the 2020 IPPS Proposed Rule, CMS had proposed reclassifying kidney transplants performed for certain patients with serious cardiac conditions into a Diagnosis Related Group that provides lower payment than the DRG generally used for kidney transplants. In light of the comments submitted by ASTS and others and in light of the President's Executive Order on Advancing Kidney Health, CMS decided not to finalize the proposal at this time.

Recommendation: While CMS indicates that the reclassification will not proceed this year, it does not unequivocally indicate that the issue is closed. For that reason, we recommend that ASTS arrange a call with CMS officials with jurisdiction over this issue to (a) discuss ASTS' suggestion that these transplants be included in the standard kidney transplant DRG and (b) to explore the potential for increasing Medicare payment for transplants involving more complex recipients or more marginal organs, in light of the President's Executive Order.

IPPS Rates for Transplant Admissions

The DRG weights for transplant-related DRGS and the 2020 national average IPPS rates (without geographic adjustment and assuming hospital compliance with quality reporting and electronic health record requirements) is attached. With the exception of pancreas transplants (whose IPPS payment will decrease by 12%), inpatient payment for transplant admissions will generally increase by less than 10%.

Other Issues of Interest to ASTS Members

More generally, the 2020 IPPS Final Rule includes some good news for hospitals. Under the 2020 IPPS Final Rule, Medicare payment inpatient operating costs for hospitals that are meaningful users of electronic health records and that submit quality measure data will increase by 3.1%, the largest increase in nearly a decade. For FY 2020, the agency will make \$8.35 billion in Disproportionate Share Hospital (DSH) payments, an increase of approximately \$78 million compared to FY 2019. Additionally, the rule increases new technology add-on payments, modifies area wage index adjustments to benefit hospitals in low wage areas, and makes minor changes in quality incentive and electronic health record meaningful use requirements.

The 2020 IPPS Final Rule also adds a new hybrid hospital-wide all-cause readmission measure that hospitals would be required to report starting in 2023, a change that was opposed by the hospital industry.

Recommendation: We recommend that ASTS review the measure specifications for the new hybrid hospital-wide readmission measure to ensure that it does not include readmissions for transplant recipients, since the inclusion of such readmissions has the potential to dissuade medically necessary readmissions for these highly vulnerable patients.

MS-DRG	DESCRIPTION	CURRENT WEIGHT	FINAL 2020 WEIGHT	DIFF	PERCENT CHANGE	ESTIMATED STANDARDIZED PAYMENT AMOUNT*
001	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	26.4106	27.6339	1.2233	5%	\$160,304.25
002	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	13.4227	14.0137	0.591	4%	\$81,293.47
005	LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	10.2545	10.3127	0.0582	1%	\$59,823.97
006	LIVER TRANSPLANT W/O MCC	4.8655	4.8719	0.0064	0%	\$28,261.89
007	LUNG TRANSPLANT	10.6510	10.7863	0.1353	1%	\$62,571.33
008	SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	5.2490	5.6161	0.3671	7%	\$32,579.00
010	PANCREAS TRANSPLANT	4.5139	3.9761	-0.5378	-12%	\$23,065.36
652	KIDNEY TRANSPLANT	3.3146	3.3849	0.0703	2%	\$19,635.80

* Based on proposed national standardized amount of \$5801 (assumes that hospital meets CEHRT and quality data submission requirements), without geographic or DSH adjustments or GME add-ons.