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2024 Customer Market Reimbursement Update



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Medicare Final Payment Rules

- Modest payment increases in all points of care other than physicians
- Policy Trends
 - Health equity
 - Social determinants of health
 - Behavioral health
 - Telehealth
 - COVID-19 recovery
 - Value-based measures

FY 2024 Final Inpatient Prospective Payment System (IPPS) Medicare Payment Rule



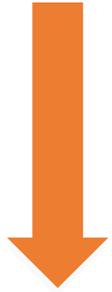
- Medicare reimbursement is up 3.1% compared to 4.3% in 2023 and 2.5% in 2022
 - Must satisfy quality reporting program requirements and be meaningful user of EHR to get full payment update
- Quality Measures
 - 15 health equity-based quality measures finalized
 - Hospital Value Based Purchasing Program (HVBP) – adopted 6 changes
 - Hospital-Acquired Condition (HAC) Reduction Program – Validation reconsideration process established for hospitals that fail to meet data requirements

CY 2024 Final Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Centers (ASCs) Medicare Payment Rule



- Medicare reimbursement increase of 3.1% for OPPS and ASC payments
 - Facilities must satisfy quality reporting program requirements to get full payment update
- CMS did not adopt a proposed reimbursement policy to support purchasing buffer stock of essential medicines
- CMS finalized the addition of 26 dental surgical procedures to the ASC Covered Procedures List
- CMS did not remove any services from the Inpatient Only List

CY 2024 Final Physician Fee Schedule (PFS) Medicare Payment Rule



- The final CY 2024 PFS conversion factor is \$32.74, a decrease of \$1.15 (or 3.4%) from the current CY 2023 conversion factor of \$33.89
 - Congress has provided temporary partial fixes to physician payment cuts in the last several years, but it remains unclear whether relief will be provided before the start of 2024
- Quality Payment Program
 - CMS finalized five new, optional Merit-based Incentive Payment System (MIPS) Value Pathways (MVPs) for reporting beginning in 2024 (16 MVPs now available)
 - MIPS performance threshold maintained at 75 points (away from proposal to raise to 82 points)

FY 2024 Skilled Nursing Facility (SNF) Final Medicare Payment Rule

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- Payments to SNFs will increase by 4.0% or \$1.4 billion in FY 2024, relative to FY 2023 levels
 - This includes a negative 2.3% (\$789 million) decrease for the second phase of the Patient Driven Payment Model (PDPM) parity adjustment
 - In separate rulemaking, CMS proposed comprehensive staffing requirements for nursing homes—including, for the first time, national minimum nurse staffing standards
 - CMS acknowledged that more than 75% of nursing homes in the U.S. would have to increase staff to meet the mandate, which is higher than those of nearly all states

CY 2024 Final Home Health Medicare Payment Rule



- HHAs will receive a small 0.8% Medicare payment increase (or \$140 million) compared to CY 2023
- However, CMS continues to push for permanent, negative adjustments, maintaining that it overpaid HHAs during the first three years of the Patient-Driven Groupings Model (PDGM)
- Home Health Quality Reporting Program to begin publicly reporting certain measures including Discharge Function and COVID-19 Vaccine: Percent of Patients/Residents Who Are Up to Date



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