

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 412

[CMS-1474-F]

RIN 0938-AL95

Medicare Program; Changes to the Inpatient Rehabilitation Facility Prospective Payment System and Fiscal Year 2004 Rates

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule.

SUMMARY: In this final rule, we are establishing the prospective payment rates for inpatient hospital services furnished under Medicare by inpatient rehabilitation facilities (IRFs) for Federal fiscal year (FY) 2004, as required under section 1886(j)(3)(C) of the Social Security Act (the Act). As required by law and regulations, we are specifying the classification and weighting factors for the IRF case-mix groups and providing a description of the methodology and data used in computing the prospective payment rates for FY 2004. These rates are applicable to discharges occurring on or after October 1, 2003 and before October 1, 2004.

In addition, we are revising and clarifying policies governing the payment for inpatient hospital services furnished by IRFs under the IRF PPS.

DATES: Effective: October 1, 2003. The updated IRF prospective payment rates are applicable for discharges on or after October 1, 2003 and on or before September 30, 2004 (FY 2004).

FOR FURTHER INFORMATION CONTACT: Robert Kuhl, (410) 786-4597 (General information) Pete Diaz (410) 786-1235 (Patient assessment instrument and other patient assessment issues); Nora Hoban, (410) 786-0675 (Payment system, calculation of IRF payment rates, update factors, relative weights/case-mix index, and payment adjustments).

SUPPLEMENTARY INFORMATION:

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Acronyms

- BBRA Medicare, Medicaid, and SCHIP [State Children's Health Insurance Program] Balanced Budget Refinement Act of 1999, Public Law 106-113
- CMGs Case-mix groups
- CMI Case-mix index
- CMP Competitive medical plan
- CMS Centers for Medicare & Medicaid Services
- FY Federal fiscal year
- HIPAA Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191
- HMO Health maintenance organization
- IPPS Acute care hospital inpatient prospective payment system
- IRF Inpatient rehabilitation facility
- IRF PAI Inpatient rehabilitation patient assessment instrument
- IRF PPS Inpatient rehabilitation facility prospective payment system
- JCAH Joint Commission on Accreditation of Hospitals
- JCAHO Joint Commission on Accreditation of Hospital Organizations
- LTCH Long-term care hospital
- MedPAR Medicare Provider Analysis and Review File