Reference #: 2021-11-IP
From: Inpatient Value, Incentives, and Quality Reporting Outreach and Education Support
Contractor
Sent: February 2, 2021
To: IQR and EHR
Subject: CMS Combines Phase 1 and Phase 2 Annual Payment Update (APU)
Determination Periods for the Hospital Inpatient Quality Reporting Program

The Centers for Medicare & Medicaid Services (CMS) will combine Phase 1 and Phase 2 APU
review and determination periods due to the extension of the Hospital Quality Reporting (HQR)
Quarter (Q) 3 2020 data submission period to March 18, 2021.

CMS will combine the APU review and determination periods this year into one phase to
decrease the burden on members of the Hospital Inpatient Quality Reporting (IQR) Program
community for hospitals that failed to meet one or more of the program requirements. This phase
will take place after the Q4 2020 data submission period closes on May 17, 2021.

Per Section 1886(b)(3)(B) of the Social Security Act, failure to meet requirements of the
Hospital IQR Program will result in a reduction to a hospital's APU, and CMS previously
notified hospitals subject to the payment reductions under the inpatient prospective payment
system (IPPS) in two phases. More information on the APU process can be found on *QualityNet*
at https://qualitynet.cms.gov/inpatient/iqr/apu.

As a reminder, CMS granted data submissions exceptions in response to COVID-19, issuing an
Extraordinary Circumstances Exception (ECE) for Q1 2020 and Q2 2020 submissions. CMS
then extended the Q3 2020 submission period from February 16, 2021 to March 18, 2021. More
details on the Q3 2020 data submission extension can be found on *QualityNet* at
https://qualitynet.cms.gov/files/5fda94ebe606810025a6293c?filename=2020-124-IP.pdf.

This communication is for informational purposes only; no action is needed from hospitals.

Please do not respond directly to this email. For further assistance regarding the information
contained in this message, please contact the Inpatient Value, Incentives, and Quality Reporting
(VIQR) Outreach and Education Support Team at https://cmsqualitysupport.service-
now.com/qnet_qa?id=ask_a_question or (844) 472-4477.