



Understanding Calendar Years (CY) and Fiscal Years (FY) in the CMS Hospital Inpatient Quality Reporting Program

**Tutorial
2022**

Purpose

This tutorial will provide a high-level understanding of the relationship between the calendar year (CY) and the fiscal year (FY) as it relates to the Hospital Inpatient Quality Reporting (IQR) Program.

Overview

CMS uses the quality data you report in a previous calendar year to make payment decisions for a future year.

- The past year is referred to as the calendar year (CY) or reporting year.
- The future year is referred to as the fiscal year (FY) or payment year.



How It Works

Calendar year (CY) 2021 reporting is permanently linked to fiscal year (FY) 2023 payment.

- Hospitals collect quality data for discharges that occur January 1, 2021, to December 31, 2021.
- Hospitals report their 2021 calendar year data prior to each quarterly submission deadline between January 1, 2021, and May 15, 2022.
- Between February 2022 and July 2022, CMS reviews data reported for CY 2021 discharges and makes preliminary annual payment update decision. CMS does not make final payment decisions until all hospitals not meeting the mandatory requirements are given the opportunity to ask for reconsideration.

How It Works



Final APU Decisions

Once reconsiderations are received, CMS makes the final Annual Payment Update (APU) decisions for the fiscal year.

- For example, FY 2023 applies to discharges October 1, 2022–September 30, 2023.
- There are exceptions...

Exceptions

- Quarters used in chart-abstracted data validation are not usually from a single calendar year.
 - For example, CMS makes FY 2022 payment decisions using data from 3Q 2019–2Q 2020.
- CMS has finalized policy to align calendar year quarters with validation, beginning with FY 2024 payment determination:
 - Data validation efforts for FY 2023 payment determination will only be based on data from 3Q 2020 and 4Q 2020. Then, validation of the FY 2024 payment determination aligns with a full calendar year using data from 1Q 2021–4Q 2021.
- For FY 2023, one quarter of electronic clinical quality measure (eCQM) data from CY 2020 (1Q 2020, 2Q 2020, 3Q 2020, or 4Q 2020) will be validated.

Tips

- Calendar Year + 2 Years = Fiscal Year
 - For example, CY 2021 reporting will affect FY 2023 payment.
- Calendar years affect discharges from January 1 to December 31, but fiscal years run October 1 through September 30.
- Calendar years and fiscal years are always linked: For example, FY 2023 also means CY 2021 reporting *and* FY 2023 payments.

Test Your Knowledge

- Please [click here](#) to test your knowledge