



Hospital IQR Program Phase 2 APU Reconsideration Process

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Purpose

The purpose of today's presentation is to provide information regarding the CMS Hospital IQR Program annual payment update (APU) reconsideration process.

CMS is currently making APU decisions that will affect a hospital's Medicare reimbursement between **October 1, 2025, and September 30, 2026**. This time frame is known as fiscal year (FY) 2026.

Objectives

By the end of today's presentation, participants will be able to:

- Understand the Hospital IQR Program requirements and the APU reconsideration process.
- File an APU Reconsideration Request with CMS.

Acronyms and Abbreviations

APU	Annual Payment Update	IQR	Inpatient Quality Reporting
CMS	Centers for Medicare & Medicaid Services	NHSN	National Healthcare Safety Network
DACA	Data Accuracy and Completeness Acknowledgement	PC	Perinatal Care
eCQM	electronic clinical quality measures	PDF	Portable Document Format
FY	fiscal year	PRRB	Provider Reimbursement Review Board
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems	Q	quarter
HCP	Healthcare Personnel	SEP	sepsis
HQR	Hospital Quality Reporting	SDOH	Social Drivers of Health
HVBP	Hospital Value-Based Purchasing		

Hospital IQR Program Payment Decisions

CMS notifies hospitals subject to Hospital IQR Program payment reductions under the IPPS in two phases.

Phase 1 - March	Phase 2 - May
Population and Sampling Q1–3 of calendar year	Population and Sampling Q4 of calendar year
Sepsis (SEP-1) Q1–3 of calendar year	Sepsis Q4 of calendar year
Influenza Vaccination Coverage Among HCP reported via NHSN Q4 of calendar year and Q1 of calendar year	COVID-19 Vaccination Coverage Among HCP* Q1 - Q4 of calendar year
Validation, if selected	Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Q1 – Q4 of calendar year
	eCQMs: Submit Safe Use of Opioids – Concurrent Prescribing, PC-02, PC-07, and three self-selected measures for the calendar year for all quarters (Q1, 2, 3, and 4)
	Maternal Morbidity, Hospital Commitment to Health Equity, and SDOH Structural Measures for the Calendar Year*
	All other requirements

* In the FY 2026 IPPS/LTCH PPS proposed rule, CMS is proposing to remove the COVID-19 HCP, HCHE, and SDOH measures from the Hospital IQR Program effective calendar year (CY) 2024/fiscal year (FY) 2026.

Phase 2

Program Requirements

- Submit aggregate Population and Sample size counts for Quarter 4 by the submission deadline.
- Submit clinical process of care measure data for Quarter 4 by the submission deadline.
- Submit COVID-19 Vaccination Coverage Among Healthcare Personnel measure data for Quarter 1 through Quarter 4 by the submission deadline.
- Submit Maternal Morbidity, Hospital Commitment to Health Equity, and Social Drivers of Health Structural Measures data for calendar year 2024 by the submission deadline.

Phase 2

Program Requirements cont'd

- Submit Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey data for Q1 through Q4 2024.
- Submit the Safe Use of Opioids – Concurrent Prescribing, PC-02, and PC-07 eCQMs, and three self-selected available eCQMs from the measure set for all quarters in 2024 (Quarters 1, 2, 3 and 4) by March 14, 2025.
- Complete the DACA.
- Complete a Notice of Participation.
- Register with the *HQR Secure Portal* and identify a Security Official.

Phase 2 Notification

CMS sent APU determination notification letters on May 28, 2025, to hospitals not meeting one or more of Phase 2 requirements:

- APU reconsideration requests for Phase 2 decisions are due to CMS within **30** days from the date the hospital received the notification letter.
- For hospitals that file a Phase 2 APU reconsideration request the CMS decision letters are expected to be sent in **July 2025**.

APU Reconsideration Process

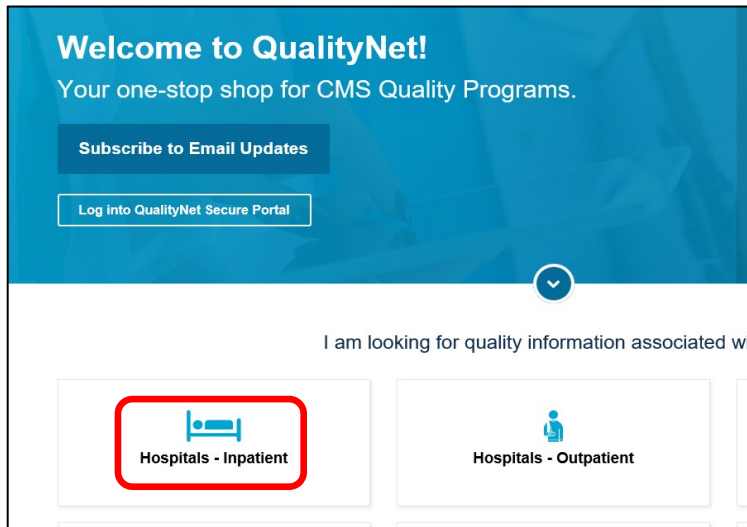
QualityNet Location

The overview for the Hospital IQR Program APU reconsideration process and the APU Reconsideration Request Form are available on the [APU Reconsideration](https://qualitynet.cms.gov/inpatient/iqr/apu#tab2) page on *QualityNet*:
<https://qualitynet.cms.gov/inpatient/iqr/apu#tab2>

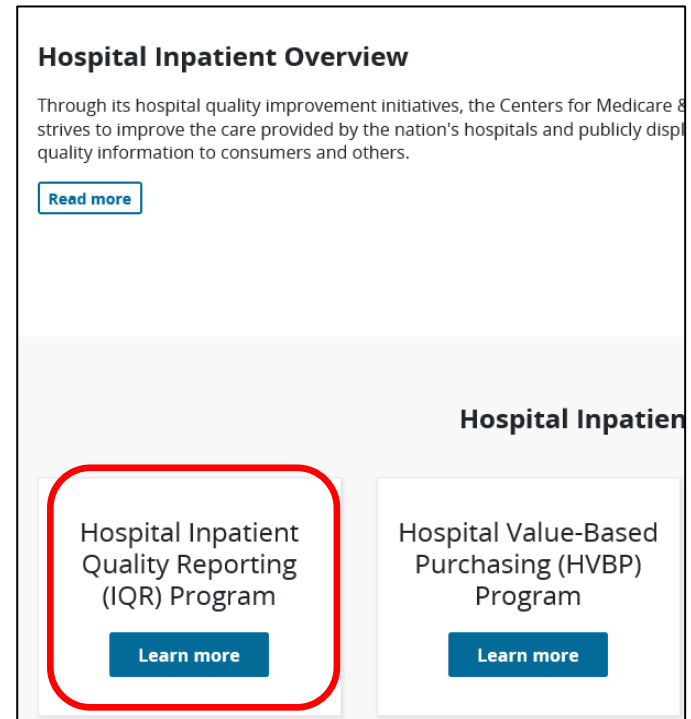
QualityNet

Hospital Inpatient Location

From the QualityNet home page, select **Hospitals - Inpatient**.

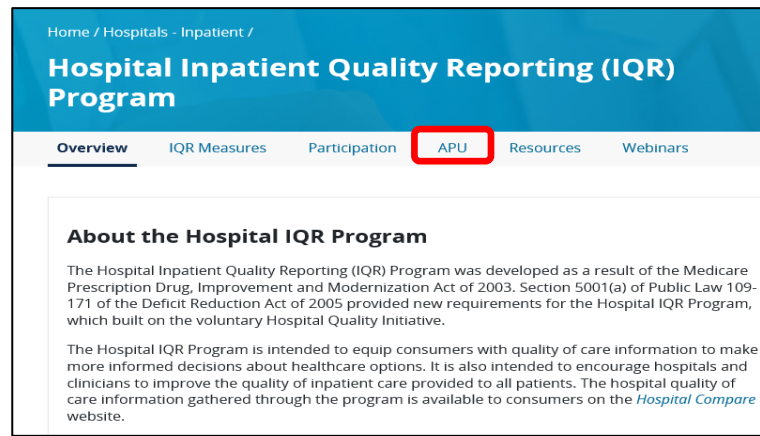


Then, select Learn More under **Hospital Inpatient Quality Reporting (IQR) Program** for the About the Hospital IQR Program page.



QualityNet APU Reconsideration Process Location

Access the Hospital IQR Program APU reconsideration information on QualityNet by selecting the **APU** link from the upper task bar.



This will direct you to the *APU Recipients* page. Select **APU Reconsideration**.



Reason for APU Reconsideration Request

- Provide the CMS-identified reason your facility did not meet the APU requirements.
- For those requirements that were not met, state the specific reason(s) for believing your facility did meet the quality reporting program requirement(s) and should receive the full APU.
- Fill out the APU Reconsideration Request Form **completely** and **accurately**; all fields with an (*) are mandatory.
- Include any additional information or documentation by attaching a PDF file with the request form.

Submitting APU Reconsideration Request

- Submit the request form using one method listed below:
 - Unified File Management (UFM)* Secure Mail function
 - Uncheck the “Require Registered Users” box in the Options section.
 - Secure fax: (877) 789-4443
 - Email: QRFormsSubmission@hsag.com
- Direct questions about the reconsideration process to Inpatient and Outpatient Healthcare Quality Systems Development and Program Support at InpatientSupport@hsag.com or (844) 472-4477
- Direct questions about a reconsideration request you have already submitted to Reconsideration@cms.hhs.org.

* Formerly known as Managed File Transfer

Filing a Provider Reimbursement Review Board (PRRB) Appeal

When a hospital is dissatisfied with the result of the CMS APU reconsideration, the hospital may file an appeal with the PRRB.


- The appeal may be filed **only** after the hospital has submitted a request for reconsideration and then received an adverse decision on the request.
- A hospital may file an appeal up to 180 days following the Hospital IQR Program reconsideration determination notification date.
- Details about the PRRB appeal process can be found on the CMS website: www.cms.gov/Regulations-and-Guidance/Review-Boards/PRRBReview/index.html?redirect=/PRRBReview

Questions

POWERPOINT SLIDE SHOW - CMS_Reconsideration Process_FY 2024 Phase I - POWERPOINT



**Hospital IQR Program Phase 2
APU Reconsideration Process**



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