



FY 2027 IPPS/LTCH PPS Final Rule Overview for Hospital Quality Programs

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Speakers

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Prospective Payment
System (PPS)-exempt
Cancer Hospital (PCH)
Quality Reporting Program

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Hospital-Acquired Condition
(HAC) Reduction &
Hospital Readmissions
Reduction Programs

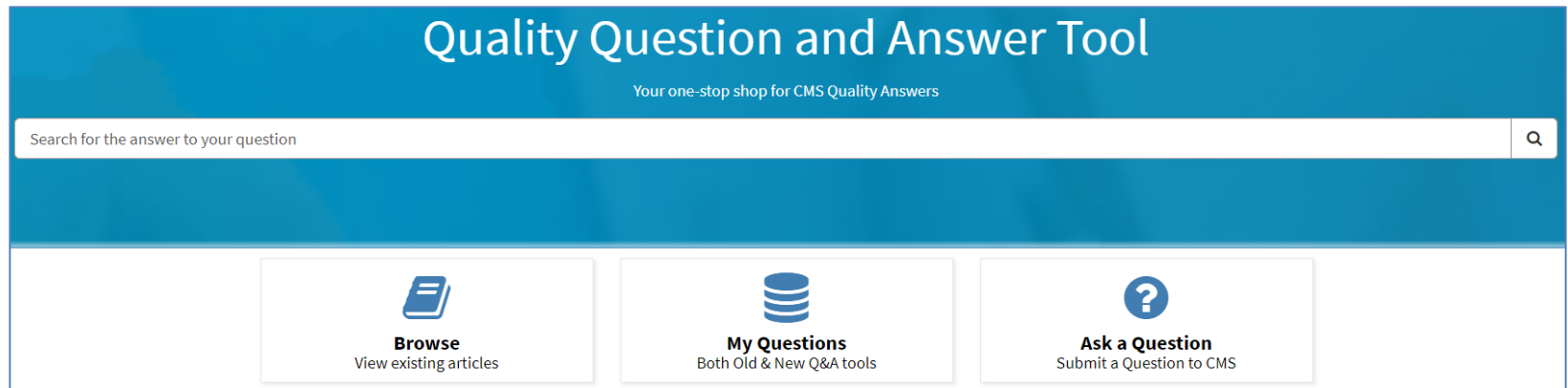
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Medicare Promoting
Interoperability Program

Webinar Questions

Please submit questions related to the
FY 2027 IPPS/LTCH PPS final rule to the
Quality Question and Answer Tool:

https://cmsqualitysupport.servicenowservices.com/qnet_qa



Purpose

This event provides an overview of the [fiscal year \(FY\) Inpatient Prospective Payment System \(IPPS\)/Long-Term Care Hospital \(LTCH\) PPS final rule](#) as it relates to the following programs:

- Hospital IQR Program
- Hospital VBP Program
- Medicare Promoting Interoperability Program
- PCH Quality Reporting Program
- Hospital Readmissions Reduction Program
- HAC Reduction Program

Objectives

Participants will be able to:

- Locate the FY 2027 IPPS/LTCH PPS final rule text.
- Identify program-specific finalized proposals within the final rule.

Acronyms and Abbreviations

AIDC	Automatic Identification and Data Capture	eCQM	electronic clinical quality measure
AKI	acute kidney infection	EDAC	Excess Days in Acute Care
AMI	acute myocardial infarction	EHR	electronic health record
API	Application Programming Interface	FDA	Federal Drug Administration
ASTP	Assistant Secretary for Technology Policy	FHIR®	Fast Healthcare Interoperability Resources®
CABG	coronary artery bypass graft	FI	falls with injury
CAH	critical access hospital	FY	fiscal year
CAUTI	catheter-associated urinary tract infection	HCAHPS	Hospital Consumer Assessment of Healthcare Providers and System
CCSQ	Center for Clinical Standards and Quality	HAC	Hospital-Acquired Condition
CDI	<i>Clostridioides difficile</i> infection	HCP	Healthcare Personnel
CEHRT	Certified electronic health record Technology	HF	heart failure
CLABSI	central line-associated bloodstream infection	HH	Hospital Harm
CMS	Centers for Medicare & Medicaid Services	HL 7	Health Level Seven
COMP	complication	HTI	Health Data, Technology, and Interoperability
COPD	chronic obstructive pulmonary disease	HYPER	hyperglycemia
CY	calendar year	HYP0	hypoglycemia
eCQI	electronic Clinical Quality Improvement	IG	Implementation Guide

Acronyms and Abbreviations

Continued

IP-ExRad	Excessive Radiation Dose or Inadequate Image Quality for Diagnostic Computed Tomography in Adults	PCH	Prospective Payment System-exempt Cancer Hospital
IPPS	Inpatient Prospective Payment System	PI	pressure injury
IQR	Inpatient Quality Reporting	PN	pneumonia
IT	information technology	PPS	Prospective Payment System
LTCH	Long-Term Care Hospital	QMVIG	Quality Measurement and Value-Based Incentives Group
MCS	malnutrition care score	RF	respiratory failure
MORT	mortality	SEP	sepsis
MRSA	methicillin-resistant <i>Staphylococcus aureus</i>	STK	stroke
MSPB	Medicare Spending Per Beneficiary	UDI	unique device identifiers
ONC	Office of the National Coordinator	VBP	Value-Based Purchasing
ORAE	opioid related adverse events	VTE	venous thromboembolism
PC	perinatal care		

Julia Venanzi, MPH, Program Lead

Hospital IQR and Hospital VBP Programs, QMVG, CCSQ, CMS

Cross-Cutting Finalized Changes

Finalized New Measure: Advance Care Planning eCQM

Finalized for the Hospital IQR, Medicare Promoting Interoperability, and PCH Quality Reporting Programs with the following modifications:

- **PCH Quality Reporting Program**
 - Voluntary reporting for initial CY 2028 reporting period/FY 2030 program year
 - Mandatory reporting for CY 2029 reporting period/FY 2031 program year
- **Hospital IQR and Medicare Promoting Interoperability Programs**
 - Self-selected electronic clinical quality measure (eCQM), beginning with:
 - CY 2028 reporting period/FY 2030 program year for Hospital IQR Program
 - CY 2028 reporting period for eligible hospitals and critical access hospitals (CAHs) participating in the Medicare Promoting Interoperability Program

Finalized New Measure:

Advance Care Planning eCQM Continued

Measure Rationale:

Proportion of adults hospitalized during the measurement period who, by discharge from at least one encounter, have an advance care planning document or a documented discussion and decision in the electronic health record (EHR).

Finalized New Measure:

Advance Care Planning eCQM Continued

- **Numerator:** Patients 18 or older with an inpatient encounter during the measurement period who, by discharge from at least one encounter, have an advance care planning document or a documented discussion and decision in the EHR.
- **Denominator:** All patients aged 18 years and older with a discharge from an acute care or critical access hospital during the measurement period

Finalized Modification of Five Mortality Measures

- **Finalized Measures:**

- Hospital 30-Day All-Cause Risk-Standardized Mortality Rate Following Acute Myocardial Infarction (AMI), Heart Failure (HF), Pneumonia (PN), and Chronic Obstructive Pulmonary Disease (COPD) Hospitalization
- Hospital 30-Day All-Cause Risk-Standardized Mortality Rate Following Coronary Artery Bypass Graft (CABG)

- **Finalized Modifications:**

- Adds Medicare Advantage Beneficiaries
- Shortens the performance period from 3 to 2 years

- **Finalized Timeline for Adoption:**

- Hospital IQR Program beginning with the 7/1/2024–6/30/2026 performance period/FY 2028 payment determination
- Adopt into the Hospital VBP Program and remove from the Hospital IQR Program beginning with the 7/1/2028–6/30/2030 performance period/FY 2032 payment determination

Julia Venanzi, MPH, Program Lead
Hospital IQR Program, QMVG, CCSQ, CMS

Hospital IQR Program

Hospital IQR Program

Finalized Changes Overview

- Finalized adoption of three new measures
- Finalized removal of three measures
- Finalized modification of three current measures
- Finalized updates to the Form, Manner, and Timing of Quality Data Submission

Finalized New Measures

Measure	Finalized Performance Period/ Payment Determination
Excess Days in Acute Care (EDAC) After Hospitalization for Diabetes	July 1, 2025–June 30, 2027/FY 2029
Hospital Harm (HH) – Postoperative Venous Thromboembolism (VTE) eCQM	CY 2028/FY 2030
Advance Care Planning eCQM	CY 2028/FY 2030

Finalized Adoption: EDAC After Hospitalization for Diabetes

- **Measure Rationale:** Assesses the number of days a patient spends in acute care within 30 days of discharge from an inpatient hospitalization for a diagnosis of diabetes mellitus with complications
- **Numerator:** The number of days a patient spends in acute care for any cause, within 30 days of discharge from the index hospitalization for diabetes
- **Denominator** includes:
 - 1) Principal diagnosis of diabetes;
 - 2) Medicare Fee for Service or Medicare Advantage;
 - 3) 65 or older;
 - 4) Discharged alive from a non-federal short-term acute care hospital; and
 - 5) Not transferred to another acute care facility

Finalized Adoption:

HH – Postoperative VTE eCQM

- **Measure Rationale:** Risk-adjusted measure of postoperative VTE during hospitalization or within 30 days of the first operating-room procedure among inpatients age 18 and older
- **Numerator:** Number of inpatient hospitalizations for adult patients who had a surgical procedure performed in the operating room during the hospitalization and experienced a VTE within 30 days of the surgical procedure
- **Denominator:** Number of adult patients who had a surgical procedure performed in the operating room during an inpatient hospitalization

Finalized Removal of Current Hospital IQR Program Measures

Measure Name	Finalized Timeline for Removal
Venous Thromboembolism Prophylaxis eCQM	Beginning with the CY 2028 reporting period/FY 2030 payment determination
Intensive Care Unit Venous Thromboembolism Prophylaxis eCQM	
Discharged on Antithrombotic Therapy eCQM	

Finalized Modifications: EDAC Measures

- **EDAC measures for the following conditions:**
AMI, HF, PN
- **Finalized Modification:**
 - Expands the measure inclusion criteria to include Medicare Advantage patients
 - Shortens the performance period from 3 years to 2 years
- **Finalized Timeline:** Beginning with July 1, 2024, through June 30, 2026, performance period – FY 2028

Finalized Updates:

Additional Mandatory eCQMs

- Require mandatory reporting of the Malnutrition Care Score (MCS) eCQM beginning with the CY 2028 reporting period/FY 2030 payment determination.
- Finalized a policy to automatically make Hospital Harm eCQMs mandatory after two years of “self-selected” reporting beginning with CY 2028 reporting period/FY 2030 payment determination.
- Finalized the public reporting of the Hospital Harm measures with modification.
 - First year of mandatory reporting, data will display on the Production Data Catalog only.
 - Second year of mandatory reporting, data will be moved to Care Compare and be included in Star Ratings.

Finalized: eCQM Reporting and Submission Requirements

Reporting Period/ Payment Determination	Total # of eCQMs Reported	Required eCQMs	Self-Selected eCQMs
CY 2028/FY 2030 and CY 2029/FY 2031	14	• Safe Use of Opioids • Perinatal Care (PC)-07 • PC-02 • MCS • HH-Severe Hyperglycemia (HYPER) • HH-Severe Hypoglycemia (HYPO) • HH-Opioid-Related Adverse Events (ORAE) • HH-Pressure Injury (PI) • HH-Acute Kidney Injury (AKI) • HH-Falls with Injury (FI) • HH-Postoperative Respiratory Failure (RF)	• Stroke (STK)-03 • STK-05 • IP-Excessive Radiation (ExRad) • Advance Care Planning • HH-VTE
CY 2030/FY 2032	15	• Safe Use of Opioids • PC-07 • PC-02 • MCS • HH-HYPER • HH-HYPO • HH-ORAE • HH-PI • HH-AKI • HH-FI • HH-RF • HH-VTE	• STK-03 • STK-05 • IP-ExRad • Advance Care Planning

Finalized Update: Maternal Morbidity Structural Measure

- **Current measure:** A hospital is required to attest whether or not it participates in and implements practices from a state or national perinatal quality collaborative.
- **Finalized change:** If a hospital selects “Yes,” they will be prompted to report which collaborative they participate in beginning with the CY 2026 reporting period/FY 2028 payment determination.

Julia Venanzi, MPH, Program Lead
Hospital VBP Program, QMVG, CCSQ, CMS

Hospital VBP Program

Hospital VBP Program

Finalized Changes Overview

- Substantive measure modifications to 5 condition-specific and procedure-specific mortality measures in Clinical Outcome domain
- Newly established Performance Standards for certain measures for the FY 2029 and FY 2032 Program Years

Finalized Modification: Mortality Measures

**Effective Beginning FY 2032
(Performance Period July 1, 2028–June 30, 2030)**

Modifications:

- Expanded the measures' inclusion criteria to include Medicare Advantage patients.
- Uses Fee for Service claims, hospital-submitted Medicare Advantage claims, and Medicare Advantage-Organization-submitted encounter data
- Shortened the performance period from 3 years to 2 years.
- Updated the risk adjustment methodology to use individual International Classification of Diseases-10 codes instead of hierarchical condition categories

Newly Established Performance Standards for FY 2029 Program Year

HCAHPS Dimensions* ¹	Floor	Achievement Threshold	Benchmark
Person and Community Engagement Domain			
Communication with Nurses	55.34	77.84	86.08
Communication with Doctors	57.45	77.55	85.40
Communication about Medicines	39.83	59.29	69.67
Hospital Cleanliness & Quietness	36.69	62.90	75.78
Discharge Information	66.71	85.97	91.07
Overall Rating of Hospital	36.23	68.84	82.39

¹ Includes IPPS hospitals with 100+ completed surveys from patients discharged between January 2025 and December 2025 (2,697 hospitals). Scores have been adjusted for survey mode and patient-mix.

* We note that the numerical values for the performance standards for the HCAHPS Survey in this final rule represent estimates based on the most recently available data. These estimates are based on January 1, 2025–December 31, 2025, data.

HCAHPS=Hospital Consumer Assessment of Healthcare Providers and Systems

Newly Established Performance Standards for FY 2029 Program Year

Measure Short Name	Achievement Threshold	Benchmark
Safety Domain**		
CAUTI*	0.392	0
CLABSI*	0.478	0
CDI*	0.268	0
MRSA Bacteremia*	0.602	0
Colon and Abdominal Hysterectomy Surgical Site Infection*	0.707 0.848	0 0
SEP-1	0.664479	0.879775

* Lower values represent better performance.

** We note that the numerical values for the performance standards for the Healthcare-Associated Infection and SEP-1 measures in this final rule represent estimates based on CY 2025 data.

Newly Established Performance Standards for FY 2032 Program Year

Measure Short Name	Achievement Threshold	Benchmark
Clinical Outcomes Domain		
MORT-30-AMI**	0.881686	0.899183
MORT-30-HF**	0.887519	0.915618
MORT-30-PN**	0.846031	0.882679
MORT-30-COPD**	0.911638	0.930897
MORT-30-CABG**	0.976958	0.984987
COMP-HIP-KNEE*	0.039655	0.028874
Efficiency and Cost Reduction Domain		
MSPB*	Median Medicare Spending per Beneficiary ratio across all hospitals during the performance period.	Mean of the lowest decile Medicare Spending per Beneficiary ratios across all hospitals during the performance period.

* Lower values represent better performance.

** We note that the performance standards for the five mortality measures in the Clinical Outcomes domain do not yet reflect the modifications finalized for these measures in the FY 2027 IPPS/LTCH final rule, which includes Medicare Advantage beneficiaries to the measures' cohorts and a shortened reporting period from 3 to 2 years. The FY 2032 performance standards will be updated in the FY 2028 IPPS/LTCH PPS proposed rule to reflect these newly finalized modifications. We refer readers to section IX.B.2. of the preamble of this final rule for more detailed discussion.

Jessica Warren, RN, BSN, MA, CCRC, Program Lead
Medicare Promoting Interoperability Program, QMVG, CCSQ, CMS

Medicare Promoting Interoperability Program for Eligible Hospitals and Critical Access Hospitals

Medicare Promoting Interoperability Program Finalized Changes Overview

- Revision of Certified EHR Technology (CEHRT) definition
- Modification of one measure
- Removal of two attestations
- Removal of two measures and three eCQMs
- Adoption of one new measure and two new eCQMs

Definition of CEHRT

- Finalized updates to the definition of Certified Electronic Health Record Technology (CEHRT) effective January 1, 2027.
- Removed references to certification criteria proposed for removal in ONCs HTI-5 proposed rule, due to deregulatory efforts.
 - 45 CFR 170.315(a)(12) – Family Health History
 - 45 CFR 170.315(e)(3) – Patient Health Information Capture
 - 45 CFR 170.315(g)(1) – Automated Numerator Recording
 - 45 CFR 170.315(g)(2) – Automated Measure Calculation

Electronic Prior Authorization

- Finalized the following:
 - Modify the measure description beginning with the EHR reporting period in CY 2027
 - ePA measure is optional and worth 10 bonus points for the EHR reporting period in CY 2027
 - ePA measure is mandatory beginning with the EHR reporting period in CY 2028
- We will strongly consider aligning with the CY 2027 PFS proposal requiring MIPS eligible clinicians to use a complete prior authorization workflow using all three IGs and including drugs in FY 2028 rulemaking.

Unique Device Identifiers

- Finalized requiring the Unique Device Identifier (UDI) for Implantable Medical Devices measure beginning with the EHR reporting period in CY 2027.
- Electronically capture and store the complete UDI for implantable medical devices as discrete data elements in the EHR
- “Yes” and “No” attestation responses are allowed for the first year

Finalized Removal of Two Attestations

Attestation	Finalized for Removal
ONC Direct Review Attestation	Beginning with the EHR reporting period in CY 2026
ONC-Authorized Certification Body Surveillance Attestation (Optional)	

Finalized Removal of Two Measures

Measure Name	Finalized for Removal
Support Electronic Referral Loops by Sending Health Information Measure	Modified for removal with the EHR reporting period in CY 2029
Support Electronic Referral Loops by Receiving and Reconciling Health Information Measure	

eCQMs

In alignment with the Hospital IQR Program, we finalized the following:

- Adopt: Hospital Harm – Postoperative Venous Thromboembolism and Advance Care Planning
- Remove: Discharged on Antithrombotic Therapy, Venous Thromboembolism Prophylaxis, and Intensive Care Unit Venous Thromboembolism Prophylaxis
- Require: Hospital Harm – Postoperative Respiratory Failure
- Require: Malnutrition Care Score

John Green, MPP, Program Lead

PCH Quality Reporting Program, QMVIG, CCSQ, CMS

PCH Quality Reporting Program

PCH Quality Reporting Program

- Adopted two eCQMs
 - Modified to include an initial voluntary year before mandatory reporting begins
- Removed one measure
- Updated the Form, Manner, and Timing of Quality Data Submissions

Finalized Advance Care Planning eCQM Adoption

- Cross program adoption with the Hospital IQR Program; detailed in earlier section
- One of two initial eCQMs in the PCH Quality Reporting Program
- Modification from proposal in PCH setting:
 - Voluntary reporting for initial CY 2028 reporting period/FY 2030 program year
 - Mandatory reporting beginning with CY 2029 reporting period/FY 2031 program year

Finalized Malnutrition Care Score eCQM with Modification

- **Rationale:** Assess the percentage of adults who received optimal malnutrition care appropriate to the patient's level of malnutrition risk and severity
- This measure is already in the Hospital IQR Program.
- Modification from proposal in PCH setting:
 - Voluntary reporting for initial CY 2028 reporting period/
FY 2030 program year
 - Mandatory reporting beginning with CY 2029 reporting
period/FY 2031 program year

Finalized Malnutrition Care Score

eCQM with Modification Continued

- **Numerator:** Comprised of four components that are individually scored at the encounter level for adult patients
- **Denominator:** Total eligible occurrences of the four components for eligible patients
 - Excluded: Patients whose length of stay is less than 24 hours

Finalized HCP COVID-19 Vaccination Measure Removal

- Finalized removal for the CY 2026 reporting period/ FY 2028 program year.
- Any CY 2026 COVID-19 Vaccination Coverage Among Healthcare Personnel (HCP) measure data received by CMS will not be used for public reporting.

eCQM Data Submission and Reporting Requirements

Finalized updates to the time/form/manner of submission for eCQMs:

- Use health IT certified to ONC standards to calculate, export, and submit results.
- Use eCQM specifications from the eCQI Resource Center at <https://ecqi.healthit.gov/>.
- Submit eCQM data via the Quality Reporting Document Architecture Category I file format.

Lang D. Le, MPP, Program Lead

Hospital Readmissions Reduction Program, QMVG, CCSQ, CMS

Hospital Readmissions Reduction Program

Hospital Readmissions Reduction Program Overview

Finalized the proposal, with modification, to adopt the Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate Following Sepsis Hospitalization (Sepsis Readmission) measure.

Finalized Sepsis Readmission Measure Adoption

- **Finalized Year of Implementation:**

FY 2030 program year (Performance period of July 1, 2026, to June 30, 2028)

- **Rationale for Adopting the Measure:**

The measure aims to improve outcomes by reporting hospital-level unplanned readmission rates after sepsis hospitalization and promoting safer, coordinated care.

- Hospitals will receive an “early look” at their measure results and estimated payment adjustments for the following years:

FY 2028 (July 1, 2024-June 30, 2026) and FY 2029 (July 1, 2025-June 30, 2027)

- This data would remain confidential and would not be publicly reported or used for payment adjustments.
- Allows a hospital to review their measure and program results before HRRP payment adjustments and public reporting begins in FY 2030.

Lang D. Le, MPP, Program Lead

HAC Reduction Program, QMVIG, CCSQ, CMS

HAC Reduction Program

HAC Reduction Program

Final Rule Overview

- There were no changes in this final rule for the HAC Reduction Program.
- All previously finalized policies under the program will continue to apply.

Candace Jackson, ADN, Program Coordinator, Hospital IQR Program
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FY 2027 IPPS/LTCH PPS Final Rule Page Directory

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Download the FY 2027 IPPS/LTCH PPS final rule from the *Federal Register* at this link:

<https://www.federalregister.gov/documents/2026/08/04/2026-15833/medicare-program-hospital-inpatient-prospective-payment-systems-for-acute-care-hospitals-ipp-pps-and>

Quality Program	Rule Page
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FY 2027 IPPS/LTCH PPS Final Rule
Overview for Hospital Quality Programs

Questions

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