Press Release

FY2024 IPPS/LTCH PPS Proposed Rule

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The Centers for Medicare and Medicaid Services (CMS) released its fiscal year (FY) 2024 Inpatient Prospective Payment System and Long-Term Care Hospital Prospective Payment System (IPPS/LTCH PPS) proposed rule. In a new insight, Health Care Policy Analyst Jackson Hammond explains the rule's notable changes to the IPPS and LTCH PPS, including expected changes to payment rates, safety-net hospital policy, rural hospital payments and policy, quality reporting and value-based purchasing rules, and physician-owned hospitals.

Key points:

- CMS's 2024 IPPS and LTCH PPS proposed rule includes a 2.8 percent increase for the IPPS payment rate; this would result in an increase of $2.7 billion in total payments for inpatient hospitals, while the LTCH PPS payment rate would increase by 2.9 percent to a total of over $2.6 billion.
- Under the proposed rule, Disproportionate Share Hospitals would see a drop of 2.4 percent in uncompensated care and supplemental payments for an expected aggregate amount of over $6.7 billion, a decrease of $161 million from 2023 due in part to the end of COVID-19 supplemental payments, and an expected drop in Medicaid enrollment.
- CMS also proposed updates to rural and low-wage hospital wage index calculations, changes to quality reporting and value-based purchasing measures, and increased restrictions on physician-owned hospitals.

Read the analysis