

Report on Medicare Compliance Volume 30, Number 17. May 03, 2021 Proposed 2022 IPPS Rule Extends NCTAPs, Gives GME Fresh Start to Nonteaching Hospitals

By Nina Youngstrom

In a nod to the ongoing ravages of the COVID-19 pandemic, the proposed 2022 inpatient prospective payment system (IPPS) regulation^[1] gives hospitals a hand with reimbursement and burden relief. The rule, which CMS announced April 27, would extend add-on payments for inpatients who receive COVID-19 therapeutics and adopt a “measure suppression policy” for the Hospital Readmission Reduction Program and other quality programs “due to the impact of the COVID-19 public health emergency.”

The proposed rule also puts in place provisions from the 2021 Consolidated Appropriations Act (CAA) “that affect a lot of hospitals,” said attorney Andy Ruskin, with K&L Gates in Washington, D.C. Among other things, community hospitals would get a new lease on life if they want to become teaching hospitals but are stuck with self-defeating per-resident caps that have left them with virtually no Medicare graduate medical education (GME) reimbursement. But separately, CMS implemented a new residency allocation program, also mandated by the CAA, that may be more trouble than it’s worth, he said.

For starters, though, CMS proposes to extend the New COVID-19 Treatments Add-on Payment (NCTAP) until the end of the year in which the public health emergency (PHE) ends.

“CMS’s proposal reflects the reality that hospitals will still be called upon to treat COVID patients even after the public health emergency has been lifted,” said attorney Daniel Hettich, with King & Spalding in Washington, D.C. “It therefore provides a modest extension to the NCTAPs if the PHE expires in the middle of the federal fiscal year to the end of that federal fiscal year.” Exactly how valuable the payments are to hospitals depends on when the PHE ends, he said.

The NCTAP is an additional payment for hospitals when they use drugs or biologicals approved by the Food and Drug Administration (FDA) to treat patients with COVID-19. Hospitals are eligible for the extra money when they treat COVID-19 patients with remdesivir (Veklury), COVID-19 convalescent plasma, or baricitinib (Olumiant) in combination with remdesivir. Hospitals must be eligible for the 20% MS-DRG add-on payment for COVID-19 inpatients to earn the NCTAP, and both add-on payments require proof of a positive COVID-19 test.

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