

# Report on Medicare Compliance Volume 31, Number 20. June 06, 2022 CMS Focus on Health Equity Infuses Reporting, Payment; 'This Is Not a Side Project'

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By Nina Youngstrom

CMS is pulling out all the stops on health equity, and providers will increasingly feel it in reporting requirements, payment policy and coverage decisions, experts said. This is apparent from both words and deeds, as CMS revises existing programs to incorporate health equity measures, such as the social determinants of health (SDoHs), and proposes new requirements, such as adding measures to the Inpatient Quality Reporting (IQR) program. CMS also is edging closer to making Z codes—which capture social, economic and environmental factors affecting health outcomes—a comorbidity, an act that would increase hospital reimbursement.

Jonathan Blum, principal deputy administrator at CMS, indicated how embedded health equity is in its policy and operational decisions during a May 16 Healthcare Financial Management Association podcast.<sup>[1]</sup> “This is not a side project for CMS” or “a separate thought process,” he said. “It is front and center for everything we do.”

CMS has already pulled some “regulatory levers” to address health equity, and “the focus will continue and become more intense and more directly tied to reimbursement in Medicare and Medicaid,” said Martie Ross, a consulting principal at PYA.

Recently, health inequities have been in the headlines in two areas, Ross said. They are (1) the impact of COVID-19, with racial minorities experiencing more infections, hospitalizations and deaths, and rural populations having twice the death rate of urban populations; and (2) maternal health outcomes, which are significantly worse for Black and American Indian women and in rural areas. “It’s become evident something in our system is driving the inequity,” Ross said at a June 1 webinar sponsored by PYA.<sup>[2]</sup>

CMS published its *Framework for Health Equity* in April 2022.<sup>[3]</sup> It has five priorities. They include expanding the collection, reporting, and analysis of standardized data and building the “capacity of health care organizations and the workforce to reduce health and health care disparities.” Ross described the health equity moves as “a whole new world.” It will be a new experience for hospitals in how they will collect data, among other things, and require decision-making around who will be responsible for it.

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