

## {HEALTHCARE ADVISORY}

### **CMS Releases Hospital Pay Rule, Solicits Deregulation Ideas**

CMS says it will look to cut hospital industry regulations and streamline oversight, and it's asking hospitals themselves for help.

In a proposed 2018 Medicare payment rule, the agency solicited ideas for changes to rules and procedures governing acute-care and long-term care hospitals. The initiative aims to "relieve regulatory burdens for providers," as well as promote flexibility and innovation, CMS said in a statement.

HHS Secretary Tom Price and CMS Administrator Seema Verma have previously vowed a comprehensive review of the agency's regulations in a bid to eliminate or overhaul rules deemed unnecessary.

The new proposed rule would suspend for one year a provision penalizing long-term care hospitals that receive more than 25 percent of patients from a single acute-care hospital. It would also reduce certain quality reporting requirements for hospitals that have implemented electronic health records.

The agency said it will consider no longer publishing notices in newspapers when Medicare cuts ties with ambulatory surgery centers, rural health clinics and certain other providers, calling newspapers an "outdated means of communication."

CMS projects the rule would increase Medicare spending on inpatient hospital services by \$3.1 billion in 2018, with operating payments to hospitals increasing 2.9 percent. Long-term care hospitals' Medicare payments are projected to decrease by \$173 million, or 3.75 percent, over the same period.

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