

June 24, 2019

Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
200 Independence Avenue, S.W., Room 445-G  
Washington, DC 20201

***RE: CMS-1716-P, Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Proposed Policy Changes and Fiscal Year 2020 Rates, April 23, 2019.***

Dear Ms. Verma:

On behalf of our sixty-four (64) member hospitals and health systems of the West Virginia Hospital Association (WVHA), we appreciate the opportunity to comment on the provisions contained in the Centers for Medicare & Medicaid Services' (CMS) calendar year (FY) 2020 hospital inpatient prospective payment system (IPPS) proposed rule that would implement the wage index protections and payment corridors.

#### **WAGE INDEX**

WVHA strongly supports the Medicare Area Wage Index provisions included in the IPPS proposed FY 2020 rule. West Virginia hospitals have been disadvantaged under the current wage index, creating an untenable downward wage spiral for our rural state. The WV wage index ranges from a rural floor of .7335 to multi-state CBSA of .9998. This wage index range is well below the those of surrounding states impacting WV hospital's ability to recruit and retain staff. WV hospitals will continue to see financial vulnerability without implementation of the relief CMS has proposed. Therefore, WVHA strongly supports the proposal.

#### **MS-DRG**

Each year CMS updates the MS-DRG classifications and relative weights to reflect changes in treatment patterns, technology, and any other factors that may change the relative use of hospital resources. Changes proposed for the FFY 2020 MS-DRGs would leave the total number of payable DRGs at 761. Only 56% of DRG weights will change by less than +/- 5%, with 17% changing by +/- 10% or more. However preliminary analysis finds the overall DRG reassignments of MCC's to CC's or the total removal of CC's to a non-cc. The proposed MCC, CC and non-cc revisions materially impact the case assignment, weight and payment. As an example, WVHA challenges the logic to demote codes for BMI and transplant status codes from a CC to a Non-CC. The proposed rule outlines that BMI or transplant status is not by itself a clinical indication of increased severity of illness, and CMS is proposing to reassign the

severity level for the codes from a CC to a non-CC. WVHA disagrees with proposal. Patients with a higher BMI require additional nursing care, physical supports such as specialty beds, and may be a higher risk candidate for interventional procedures and surgery along with co-morbidity. Former transplant cases are monitored as possible immunosuppression and are at risk for complications including infection. BMI and former transplant cases require higher resources and have a severity level reflected as a cc.

Additionally, WVHA is concerned CMS has not evaluated nor permitted adequate time for evaluation this material change to severity level will have to other payors including Medicaid programs that utilize the CMS MS-DRG relative weights.

Therefore, WVHA requests CMS delay the MS-DRG severity level revisions proposed allowing for greater and more thorough analysis to assess of the impact to WV IPPS hospitals.

#### **DSH adjustment to factor 3 determination**

CMS had been using Medicaid and Medicare SSI days as a proxy for uncompensated care in Factor 3 since FFY 2014, due to concerns regarding data variability and lack of reporting experience with Worksheet S-10. For FFY 2020, CMS is proposing to utilize a single year of Medicare cost report data from the audited FFY 2015 S-10 Worksheet, and to not continue the three-year averaging process for Factor 3. Additionally, CMS is seeking public comment on whether FFY 2017 S-10 data should be used in lieu of the audited FFY 2015 S-10 data.

The WVHA supports the use of the FFY 2017 single year data because our members report the S-10 completion and filing has improved with hospital education and CMS auditing.

**In conclusion, WVHA on behalf of our sixty-four-member hospitals and health systems urges CMS to implement the proposed Wage Index policy and delay the implementation of the MS-DRG changes in the proposed rule by at least one year.** This delay would provide the time necessary for CMS to analyze and mitigate possible unintended consequences.

Sincerely,



Carol M. Haugen  
Vice President of Financial Policy

Cc: Joe Letnaunchyn, CEO WVHA  
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