CMS Finalizes 2.3% Pay Bump For Inpatient Rehabilitation Facilities In FY 2027

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Inpatient rehabilitation facilities will receive a $340 million pay bump in fiscal 2027, according to a pay rule CMS unveiled Thursday (July 30) that also finalized a new surety bond for certain items under the durable medical equipment competitive bidding program.

The final 2.3% pay bump is slightly lower than the 2.4% the agency proposed earlier this year. A lower reimbursement was finalized after increasing the predicted productivity adjustment due in part the incorporation of historical total factor productivity data from the Bureau of Labor Statistics.

CMS defended its use of the productivity adjustment in the final rule after stakeholders accused the agency of only using the adjustment when it can reduce reimbursements. The Affordable Care Act established the productivity adjustment and directed the agency to use it to reduce the market basket percentage increase factor based on changes in economy-wide productivity, the final rule says.

The administration finalized as proposed an update to the Durable Medical Equipment, Prosthetics, Orthotics, and Supplies Competitive Bidding Program's bid surety bond requirements by increasing the surety bond amount to $100,000 for Remote Item Delivery competitions, while keeping the current $50,000 requirement for all other competitions.

To help educate prospective DME suppliers, the rule's fact sheet says CMS launched an early education phase called the Round 2028 DMEPOS CBP bidder education initiative.

The administration also finalized its proposal that all therapies must be initiated within 36 hours of admission to the facility as well as requiring that interdisciplinary teams complete their initial meeting on or before the fourth day of admission.

The final rule revises the Quality Reporting Program data submission from 4.5 months to about 45 days. This change would start in fiscal 2029. Since this would reduce the data lag between submission and public reporting by up to three months, the administration promoted the change in a fact sheet as a

way to get timelier data for consumers and their families as well as give facilities earlier access to data to support their quality initiatives.

CMS rejected some commenters' suggestions that it choose a 60- or 90-day timeline. After factoring in the 30-day provider preview period and CMS' validation efforts, among other tasks, the agency concluded in the final rule that these longer timeframes would add up to the current nine-month data lag CMS is trying to avoid. -- *Dorothy Mills-Gregg* (dmillsgregg@iwpnews.com)