

## Report on Medicare Compliance Volume 32, Number 15. April 17, 2023 With Health Equity a Big Theme, Proposed IPPS Rule Makes Z Code a CC, Adds IQR Measures

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By Nina Youngstrom

Between Medicare payments for homelessness—the first for a social determinants of health (SDOH)—and new measures on inpatient quality reporting, health equity is a major theme of the 2024 proposed inpatient prospective payment system (IPPS) regulation announced April 10.<sup>[1]</sup> It reinforces the Biden administration's determination to embed health equity in its payment and policy decisions.

“CMS has made health equity a focus, which is why they're pushing initiatives in different ways through individual patient coding and aggregated quality reporting,” said Tiffany Ferguson, CEO of Phoenix Medical Management.

The IPPS rule has other firsts, including a proposal to allow graduate medical education (GME) reimbursement for rural emergency hospitals, which are a new provider type created by Congress in the 2021 Consolidated Appropriations Act. CMS also reminds providers that the New COVID-19 Treatments Add-on Payment (NCTAP) will cease at the end of the year in which the public health emergency (PHE) ends.

In terms of the SDOH, CMS proposed to promote the Z code for homelessness (Z59.0) to a complication and comorbidity (CC). When CCs are reported with an MS-DRG, they generate more reimbursement. “If that's finalized, that would be a great place to start because it's a direct impact to payment,” said Amy Gendron, director of clinical and regulatory compliance and integrity at Trinity Health, a system based in Livonia, Michigan.

As CMS explains, “we are proposing to change the severity level designation for social determinants of health (SDOH) diagnosis codes describing homelessness from non-complication or comorbidity (NonCC) to complication or comorbidity (CC) for FY 2024. Consistent with our annual updates to account for changes in resource consumption, treatment patterns, and the clinical characteristics of patients, CMS is recognizing homelessness as an indicator of increased resource utilization in the acute inpatient hospital setting.”

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