



# **FY 2027 IPPS/LTCH PPS Proposed Rule Overview for Hospital Quality Programs**

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**May 21, 2026**

# Speakers

## CMS Program Leads

Center for Clinical Standards and Quality (CCSQ)

Quality Measurement and Value-Based Incentives Group (QMVIG)

**Julia Venanzi, MPH**

Hospital Inpatient  
Quality Reporting (IQR)  
Program &  
Hospital Value-Based  
Purchasing (VBP)  
Program

**John Green, MPP**

Prospective Payment  
System (PPS)-exempt  
Cancer Hospital (PCH)  
Quality Reporting  
Program

**Lang D. Le, MPP**

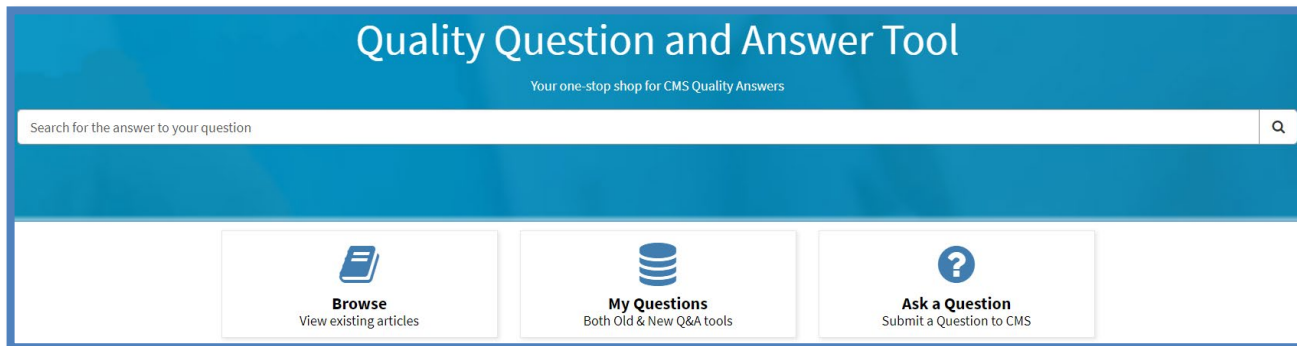
Hospital-Acquired  
Condition (HAC)  
Reduction & Hospital  
Readmissions Reduction  
Programs

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Medicare Promoting  
Interoperability Program

# Webinar Questions

- Please email questions related to this webinar to [WebinarQuestions@hsag.com](mailto:WebinarQuestions@hsag.com).
  - Subject Line: FY 2027 IPPS/LTCH PPS Proposed Rule Overview for Hospital Quality Programs
  - Include your question and the applicable slide number in the body of the email.
- For questions unrelated to the webinar topic, please submit them to the Quality Question and Answer Tool:  
[https://cmsqualitysupport.servicenowservices.com/qnet\\_qa](https://cmsqualitysupport.servicenowservices.com/qnet_qa)



# Purpose

This event provides an overview of the [fiscal year \(FY\) Inpatient Prospective Payment System \(IPPS\)/Long-Term Care Hospital \(LTCH\) PPS proposed rule](#) as it relates to the following programs:

- Hospital IQR Program
- Hospital VBP Program
- Medicare Promoting Interoperability Program
- PCH Quality Reporting Program
- Hospital Readmission Reduction Program
- HAC Reduction Program

# Objectives

Participants will be able to:

- Locate the FY 2027 IPPS/LTCH PPS proposed rule text.
- Identify program-specific proposals within the FY 2027 IPPS/LTCH PPS proposed rule.
- Understand the timeline and methods for submitting public comments to CMS regarding the FY 2027 IPPS/LTCH PPS proposed rule.

# Administrative Procedures Act

- In compliance with the Administrative Procedures Act, we are not able to provide additional information, clarification, or guidance related to the FY 2027 IPPS/LTCH PPS proposed rule.
- We encourage stakeholders to submit comments or questions through the formal comment submission process, as described in this webinar.

# Acronyms and Abbreviations

<b>AKI</b>	acute kidney infection	<b>IP-ExRad</b>	Excessive Radiation Dose or Inadequate Image Quality for Diagnostic Computed Tomography in Adults
<b>AMI</b>	acute myocardial infarction	<b>IPPS</b>	Inpatient Prospective Payment System
<b>CABG</b>	coronary artery bypass graft	<b>IQR</b>	Inpatient Quality Reporting
<b>CCSQ</b>	Center for Clinical Standards and Quality	<b>IT</b>	information technology
<b>CEHRT</b>	certified electronic health record technology	<b>LTCH</b>	Long-Term Care Hospital
<b>CMS</b>	Centers for Medicare & Medicaid Services	<b>MCS</b>	malnutrition care score
<b>COMP</b>	complication	<b>MedPAR</b>	Medicare Provider Analysis and Review
<b>COPD</b>	chronic obstructive pulmonary disease	<b>MORT</b>	mortality
<b>CY</b>	calendar year	<b>MSPB</b>	Medicare Spending Per Beneficiary
<b>eCQI</b>	electronic Clinical Quality Improvement	<b>ONC</b>	Office of the National Coordinator
<b>eCQM</b>	electronic clinical quality measure	<b>ORAE</b>	opioid related adverse events
<b>ED</b>	emergency department	<b>PC</b>	perinatal care
<b>EDAC</b>	Excess Days in Acute Care	<b>PCH</b>	Prospective Payment System-exempt Cancer Hospital
<b>EHR</b>	electronic health record	<b>PI</b>	pressure injury
<b>FHIR®</b>	Fast Healthcare Interoperability Resources®	<b>PN</b>	pneumonia
<b>FI</b>	falls with injury	<b>PPS</b>	Prospective Payment System
<b>FY</b>	fiscal year	<b>QMVIG</b>	Quality Measurement and Value-Based Incentives Group
<b>HAC</b>	Hospital-Acquired Condition	<b>RF</b>	respiratory failure
<b>HCP</b>	Healthcare Personnel	<b>RFI</b>	request for information
<b>HF</b>	heart failure	<b>STK</b>	stroke
<b>HH</b>	Hospital Harm	<b>UDI</b>	unique device identifiers
<b>HYPER</b>	hyperglycemia	<b>VBP</b>	Value-Based Purchasing
<b>HYP0</b>	hypoglycemia	<b>VTE</b>	venous thromboembolism

**Julia Venanzi, MPH, Program Lead**

Hospital IQR and Hospital VBP Programs, QMVIG, CCSQ, CMS

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## **Cross-Cutting Proposals and Requests for Information**

# Proposed New Measure: Advance Care Planning eCQM

- Proposed for the Hospital IQR, Medicare Promoting Interoperability, and PCH Quality Reporting Programs beginning calendar year (CY) 2028/FY 2030
- Self- selection option for electronic clinical quality measures (eCQMs) for the Hospital IQR and Medicare Promoting Interoperability Programs
- **Measure Rationale:** Assesses the proportion of adult patients with one or more inpatient hospitalizations during the measurement period who, by the time of hospital discharge for at least one encounter, have an advance care planning document or documentation of an advance care planning discussion resulting in a documented decision in the electronic health record (EHR).

# Proposed New Measure: Advance Care Planning eCQM Continued

- **Numerator:** Patients 18 and over with one or more inpatient encounters during the measurement period who have an advance care planning document or documentation of an advance care planning discussion resulting in a documented decision in the EHR by the time of hospital discharge during at least one of the inpatient encounters.
- **Denominator:** All patients aged 18 years and older with a discharge from an acute care or critical access hospital during the measurement period

# Proposed Modification of Five Mortality Measures

- **Proposed Measures:**
  - Hospital 30-Day All-Cause Risk-Standardized Mortality Rate Following AMI, HF, PN, and COPD Hospitalization
  - Hospital 30-Day All-Cause Risk-Standardized Mortality Rate Following CABG
- **Proposed Modification:**
  - Include Medicare Advantage Beneficiaries
  - Shorten the performance period from 3 to 2 years
- **Proposed Timeline for Adoption**
  - Hospital IQR Program beginning with the 7/1/2024–6/30/2026 performance period/FY 2028 payment determination
  - Adopt into the Hospital VBP Program and remove from the Hospital IQR Program beginning with the 7/1/2028–6/30/2030 performance period/FY 2032 payment determination

# Request for Information (RFI): Emergency Room Access and Timeliness eCQM

- For potential use in the Hospital IQR, VBP and Promoting Interoperability Programs
- **Measure Rationale:** Calculates the proportion of four outcome metrics that quantify access to and timeliness of care in the emergency department (ED) setting

# RFI: Emergency Room Access and Timeliness eCQM Continued

- **Numerator:** Any ED encounter in the denominator where the patient experiences one of the following:
  - The patient waited longer than 1 hour after arrival to the ED to be placed in a treatment room or dedicated treatment area that allows for audiovisual privacy during history-taking and physical examination.
  - The patient left the ED without being evaluated.
  - The patient boarded in the ED for longer than 4 hours.
  - The patient had an ED length of stay of longer than 8 hours.
- **Denominator:** All ED encounters associated with patients of all ages, for all-payers, during a 12-month period of performance. Patients can have multiple encounters during a period of performance, and each encounter is eligible to contribute to the calculation of the measure.

**Julia Venanzi, MPH, Program Lead**  
Hospital IQR Program, QMVG, CCSQ, CMS

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## **Hospital IQR Program**

# Hospital IQR Program Proposal Overview

- Adoption of three new measures
- Removal of three measures
- Modification of three current measures
- Updates to the Form, Manner, and Timing of Quality Data Submission
- Requests for Information

# Proposed New Measures

Measure	Proposed Performance Period/ Payment Determination
Excess Days in Acute Care (EDAC) After Hospitalization for Diabetes	July 1, 2025–June 30, 2027/FY 2029
Hospital Harm (HH) – Postoperative Venous Thromboembolism (VTE) eCQM	CY 2028/FY 2030
Advance Care Planning eCQM	CY 2028/FY 2030

# Proposed Adoption: EDAC After Hospitalization for Diabetes

- **Measure Rationale:** Assesses the number of days a patient spends in acute care within 30 days of discharge from an inpatient hospitalization for a diagnosis of diabetes mellitus with complications
- **Numerator:** The number of days a patient spends in acute care for any cause, within 30 days of discharge from the index hospitalization for diabetes
- **Denominator** includes:
  - 1) Principal diagnosis of diabetes;
  - 2) Medicare Fee for Service or Medicare Advantage;
  - 3) 65 or older;
  - 4) Discharged alive from a non-federal short-term acute care hospital; and
  - 5) Not transferred to another acute care facility

# Proposed Adoption: HH – Postoperative VTE eCQM

- **Measure Rationale:** Risk-adjusted outcome measure that assesses the proportion of inpatient hospitalizations for patients age 18 and older who have at least one surgical procedure performed inside the operating room during the admission, and who suffer the harm of a postoperative VTE during hospitalization or within 30 days after the first surgical procedure
- **Numerator:** Number of inpatient hospitalizations for adult patients who had a surgical procedure performed in the operating room during the hospitalization and experienced a VTE within 30 days of the surgical procedure
- **Denominator:** Number of adult patients who had a surgical procedure performed in the operating room during an inpatient hospitalization

# Proposed Removals of Current Hospital IQR Program Measures

Measure Name	Proposed Timeline for Removal
Venous Thromboembolism Prophylaxis eCQM	Beginning with the CY 2028 reporting period/FY 2030 payment determination
Intensive Care Unit Venous Thromboembolism Prophylaxis eCQM	
Discharged on Antithrombotic Therapy eCQM	

# Proposed Modifications: EDAC Measures

- EDAC measures for the following conditions:  
Acute Myocardial Infarction, Heart Failure and Pneumonia
- **Proposed Modification:**
  - Expand the measure inclusion criteria to include Medicare Advantage patients
  - Shorten the performance period from 3 years to 2 years
- **Proposed Timeline:** Beginning with July 1, 2024, through June 30, 2026, performance period – FY 2028

# Proposed Updates: Additional Mandatory eCQMs

- Require mandatory reporting of the Malnutrition Care Score (MCS) eCQM beginning with the CY 2028 reporting period/FY 2030 payment determination
- Establish a policy to automatically make Hospital Harm eCQMs mandatory after two years of “self-selected” reporting

# Proposed: eCQM Reporting and Submission Requirements

Reporting Period/ Payment Determination	Total Number of eCQMs Reported	Required eCQMs	Self-Selected eCQMs
CY 2028/FY 2030 and CY 2029/FY 2031	14	<ul style="list-style-type: none"> <li>• Safe Use of Opioids</li> <li>• PC-07</li> <li>• MCS</li> <li>• HH-HYPER</li> <li>• HH-HYPO</li> <li>• HH-ORAE</li> <li>• HH-PI</li> <li>• HH-AKI</li> <li>• HH-FI</li> <li>• HH-RF</li> </ul>	<ul style="list-style-type: none"> <li>• STK-03</li> <li>• STK-05</li> <li>• IP-ExRad</li> <li>• Advance Care Planning</li> <li>• HH-VTE</li> </ul>
CY 2030/FY 2032	15	<ul style="list-style-type: none"> <li>• Safe Use of Opioids</li> <li>• PC-07</li> <li>• MCS</li> <li>• HH-HYPER</li> <li>• HH-HYPO</li> <li>• HH-ORAE</li> <li>• HH-PI</li> <li>• HH-AKI</li> <li>• HH-FI</li> <li>• HH-RF</li> <li>• HH-VTE</li> </ul>	<ul style="list-style-type: none"> <li>• STK-03</li> <li>• STK-05</li> <li>• IP-ExRad</li> <li>• Advance Care Planning</li> </ul>

# Proposed Update: Maternal Morbidity Structural Measure

- **Current measure:** Hospitals are required to attest whether or not it participates in and implements practices from a state or national perinatal quality collaborative.
- **Proposed change:** If a hospital selects “Yes,” the hospital would also be prompted to report which collaborative they participate in.

# RFI: Adult Community-Onset Sepsis Standardized Mortality Ratio

- Potential future use of the measure in hospital quality programs
  - **Numerator:** Number of annually observed adults with community-onset sepsis who died during hospitalization or were discharged to hospice
  - **Denominator:** Number of annually predicted adults with community-onset sepsis who died during hospitalization or were discharged to hospice
- Uses data from the EHR in combination with claims data
- Hospitals would digitally submit the data to the National Healthcare Safety Network using the Fast Healthcare Interoperability Resources<sup>®</sup> (FHIR<sup>®</sup>)

# RFI: Potential Expansion of the Birthing Friendly Hospital Designation

- CMS is seeking input on adding two additional outcome-based quality measures: the Cesarean Birth eCQM and the Severe Obstetric Complications eCQM.
- Instead of a yes/no designation, CMS is seeking feedback on a composite scoring methodology using weighted measures and statistical clustering (k-means) to group hospitals into three performance tiers (1–3 icons, similar to Star Ratings). Hospitals would be compared against peers with similar delivery volumes, ensuring a fair, apples-to-apples comparison.

**Julia Venanzi, MPH, Program Lead**  
Hospital VBP Program, QMVG, CCSQ, CMS

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## **Hospital VBP Program**

# Hospital VBP Program Proposal Overview

- Substantive measure modifications to five condition-specific and procedure-specific mortality measures in the Clinical Outcome domain
- Updates to FY 2027 Program Year Payment Details
- Newly established Performance Standards for certain measures for the FY 2032 Program Year

# Proposed Modification: Mortality Measures

- Proposing to adopt substantive updates to the MORT-30-AMI, MORT-30-HF, MORT-30-PN, MORT-30-COPD, and MORT-30-CABG measures
- Beginning with July 1, 2028, through June 30, 2030, performance period for the FY 2032 program year

# Updates to FY 2027 Program Year Payment Details

- Table 16A will display with the final rule to reflect changes based on the March 2026 update to the FY 2026 MedPAR file.
- Table 16B will display in Fall 2026 with the actual value-based incentive payment adjustment factors, exchange function slope, and estimated amount available for the FY 2027 Hospital VBP Program.

# Newly Established Performance Standards for FY 2032 Program Year

Measure Short Name	Achievement Threshold	Benchmark
<b>Clinical Outcomes Domain</b>		
MORT-30-AMI**	0.881686	0.899183
MORT-30-HF**	0.887519	0.915618
MORT-30-PN**	0.846031	0.882679
MORT-30-COPD**	0.911638	0.930897
MORT-30-CABG**	0.976958	0.984987
COMP-HIP-KNEE*	0.039655	0.028874
<b>Efficiency and Cost Reduction Domain</b>		
MSPB*	Median Medicare Spending per Beneficiary ratio across all hospitals during the performance period.	Mean of the lowest decile Medicare Spending per Beneficiary ratios across all hospitals during the performance period.

\* Lower values represent better performance.

\*\* As discussed in section X.B.2. of the preamble of this proposed rule, we are proposing modifications and providing notice of technical updates to the five mortality measures in the Clinical Outcomes domain beginning with the FY 2032 program year.

Jessica Warren, RN, BSN, MA, FCCS, CCRC, Program Lead  
Medicare Promoting Interoperability Program, QMVG, CCSQ, CMS

## **Medicare Promoting Interoperability Program for Eligible Hospitals and Critical Access Hospitals**

# Medicare Promoting Interoperability Program Proposed Changes Overview

- Revise the definition of Certified EHR Technology (CEHRT)
- Removal of two attestations
- Removal of two measures and three eCQMs
- Adoption of one new measure and two new eCQMs
- Modification of one current measure

# Definition of CEHRT

Proposal to revise the definition of CEHRT to be consistent with certain proposed modifications to Office of the National Coordinator (ONC) health information technology (IT) certification criteria in the Health Data, Technology, and Interoperability-5 proposed rule, effective January 1, 2027

# Proposed Removal of Current Program Requirements

Attestation/Measure Name	Proposed for Removal Beginning
ONC Direct Review Attestation	Beginning with the EHR reporting period in CY 2026
ONC-Authorized Certification Body Surveillance Attestation (Optional)	
Support Electronic Referral Loops by Sending Health Information Measure	Beginning with the EHR reporting period in CY 2028
Support Electronic Referral Loops by Receiving and Reconciling Health Information Measure	

# Health Information Exchange

Proposal to remove the Support Electronic Referral Loops by Sending Health Information and Support Electronic Referral Loops by Receiving and Reconciling Health Information measures, beginning with the EHR reporting period in CY 2028

# Electronic Prior Authorization

- We propose to:
  - Modify the measure description beginning with the EHR reporting period in CY 2027.
  - Make the measure optional and worth 10 bonus points for the EHR reporting period in CY 2027.
  - Make the measure required beginning with the EHR reporting period in CY 2028.
- Through an RFI, we also invite feedback on how we can further strengthen the measure in a manner that incentivizes progress while minimizing burden.

# Unique Device Identifiers

- We propose to require the Unique Device Identifier (UDI) measure beginning with the EHR reporting period in CY 2027 under the Public Health and Clinical Data Exchange Objective.
- The UDI measure:
  - Is a standard identifier that identifies a medical device.
  - Would be an attestation measure, selecting either “Yes” or “No.”
- We also invite feedback on how we can strengthen the measure.

# eCQMs

In alignment with the Hospital IQR Program, we propose the following:

- Adopt: Hospital Harm – Postoperative Venous Thromboembolism and Advance Care Planning
- Remove: Discharged on Antithrombotic Therapy, Venous Thromboembolism Prophylaxis, and Intensive Care Unit Venous Thromboembolism Prophylaxis
- Require: Hospital Harm – Postoperative Respiratory Failure
- Require: Reporting of the Malnutrition Care Score

**John Green, MPP, Program Lead**

PCH Quality Reporting Program, QMVIG, CCSQ, CMS

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## **PCH Quality Reporting Program**

# PCH Quality Reporting Program Proposals Overview

- Adoption of two new measures
- Removal of one measure
- Updates to the Form, Manner, and Timing of Quality Data Submissions

# Proposed Advance Care Planning eCQM Adoption

- Cross program proposal with the Hospital IQR Program; details in previous section
- One of two initial eCQMs proposed for the PCH Quality Reporting Program

# Proposed Malnutrition Care Score eCQM Adoption

- Proposed reporting period begins with CY 2028 reporting period/FY 2030 program year.
- **Rationale:** Assess the percentage of adults who received optimal malnutrition care appropriate to the patient's level of malnutrition risk and severity.
- This measure is already in the Hospital IQR Program.

# Proposed Malnutrition Care Score

## eCQM Adoption Continued

- **Numerator:** Comprised of four components that are individually scored at the encounter level for adult patients
- **Denominator:** Total eligible occurrences of the four components for eligible patients
  - Excluded: Patients whose length of stay is less than 24 hours

# Proposed Malnutrition Care Score eCQM Adoption Continued

## Malnutrition Care Score eCQM Component Cohort Descriptions

Component	Numerator	Denominator
Completion of a Malnutrition Screening	Patients in the denominator who have a malnutrition screening documented in the medical record.	Patients age 18 years and older who are admitted to a PCH.
Completion of a Nutrition Assessment for Patients Identified as At-Risk for Malnutrition	Patients in the denominator who have a nutrition assessment documented in the medical record.	Patients who are admitted to a PCH and were identified as at-risk for malnutrition upon completing malnutrition screening.
Appropriate Documentation of a Malnutrition Diagnosis	Patients in the denominator with a diagnosis of malnutrition documented in the medical record.	Patients who are admitted to a PCH with findings of malnutrition upon completing a nutrition assessment.
Nutrition Care Plan for Patients Identified as Malnourished after a Completed Nutrition Assessment	Patients in the denominator who have a nutrition care plan documented in the medical record.	Patients who are admitted to a PCH with findings of malnutrition upon completing a nutrition assessment.

Full measure specifications for the Malnutrition Care Score eCQM can be found on the electronic Clinical Quality Improvement (eCQI) Resource Center website at <https://ecqi.healthit.gov/eh-cah/ecqm-resources>.

# Proposed HCP COVID-19 Vaccination Measure Removal

- Removal proposed in CY 2026 reporting period/FY 2028 program year.
- **Rationale:** Measure does not align with current clinical guidelines or practices.
- Any CY 2026 COVID-19 Vaccination Coverage Among Healthcare Personnel (HCP) measure data received by CMS would not be used for public reporting.

# Proposed eCQM Data Submission and Reporting Requirements

For any finalized eCQMs, we propose the following updates to the time/form/manner of submission:

- Use health IT certified to ONC standards to calculate, export, and submit results.
- Use eCQM specifications from the eCQI Resource Center at <https://ecqi.healthit.gov/>.
- Submit eCQM data via the Quality Reporting Document Architecture Category I file format.

**Lang D. Le, MPP, Program Lead**

Hospital Readmissions Reduction Program, QMVG, CCSQ, CMS

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## **Hospital Readmissions Reduction Program**

# Hospital Readmissions Reduction Program Proposals Overview

Proposal – Adopt the Hospital 30-Day, All-Cause, Risk-Standardized Readmission Rate Following Sepsis Hospitalization measure  
(Sepsis Readmission Measure)

# Proposal to Adopt the Sepsis Readmission Measure

- **Proposed Year of Implementation:** FY 2029 program year
- **Proposed Change:**
  - We proposed to adopt the sepsis readmission measure.
  - If finalized, we will provide hospitals with an “early look” of their sepsis readmission measure results and estimated payment reductions with the addition of the sepsis readmission measure for the FY 2028 program year.
- **Rational for Update:**

The purpose of the sepsis readmission measure is to improve outcomes by providing patients, clinicians, hospitals, and policymakers information about hospital-level unplanned readmission rates following sepsis hospitalization and encouraging improved patient safety and care across the continuum.

**Lang D. Le, MPP, Program Lead**

HAC Reduction Program, QMVIG, CCSQ, CMS

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## **HAC Reduction Program**

# HAC Reduction Program Proposal Overview

- There are no proposals or updates in this proposed rule for the HAC Reduction Program.
- All previously finalized policies under the program will continue to apply.

Donna Bullock, BSN, MPH, RN, Project Lead, Hospital IQR Program  
Inpatient and Outpatient Healthcare Quality Systems Development and  
Program Support

## **FY 2027 IPPS/LTCH PPS Proposed Rule Page Directory and Submission of Comments**

# FY 2027 IPPS/LTCH PPS Proposed Rule Page Directory

Download the FY 2027 IPPS/LTCH PPS proposed rule from the *Federal Register* at this [link](#).

Quality Program	Rule Page
Hospital Readmissions Reduction Program	19527–19538
Hospital VBP Program	19538–19546
HAC Reduction Program	19546–19547
Cross-Program Proposals	19564–19580
Hospital IQR Program	19580–19605
PCH Quality Reporting Program	19605–19612
Medicare Promoting Interoperability Program	19618–19655

# Commenting on the FY 2027 IPPS/LTCH PPS Proposed Rule

- CMS is accepting comments until 5:00 p.m. Eastern Time on June 9, 2026.
- Submit comments via one of these three\* methods:
  - Electronically
  - Regular mail
  - Express or overnight mail
- CMS will respond to comments in the final rule, scheduled to be issued by August 1, 2026.

\*Note: Please review the proposed rule for specific instructions for each method and submit using **only** one method.

FY 2027 IPPS/LTCH PPS Proposed Rule  
Overview for Hospital Quality Programs

**Thank You**

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