

117TH CONGRESS  
2D SESSION

# H. R. 8879

To amend title XVIII of the Social Security Act to provide for improvements to the Medicare prospective payment system for psychiatric hospitals and psychiatric units.

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## IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 19, 2022

Mr. EVANS (for himself and Mr. ARRINGTON) introduced the following bill;  
which was referred to the Committee on Ways and Means

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## A BILL

To amend title XVIII of the Social Security Act to provide for improvements to the Medicare prospective payment system for psychiatric hospitals and psychiatric units.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Inpatient Psychiatric  
5 Facility Improvement Act”.

1 **SEC. 2. IMPROVEMENTS TO MEDICARE PROSPECTIVE PAY-**  
2 **MENT SYSTEM FOR PSYCHIATRIC HOSPITALS**  
3 **AND PSYCHIATRIC UNITS.**

4 (a) IMPROVEMENTS THROUGH ADDITIONAL CLAIMS  
5 DATA INFORMATION.—Section 1886(s) of the Social Secu-  
6 rity Act (42 U.S.C. 1395ww(s)) is amended by adding at  
7 the end the following new paragraph:

8 “(5) ADDITIONAL DATA AND INFORMATION.—

9 “(A) IN GENERAL.—The Secretary shall  
10 collect data and information as the Secretary  
11 determines appropriate to revise payments  
12 under the system described in paragraph (1) for  
13 psychiatric hospitals and psychiatric units pur-  
14 suant to subparagraph (D) and for other pur-  
15 poses as determined appropriate by the Sec-  
16 retary. The Secretary shall begin to collect such  
17 data by not later than October 1, 2023.

18 “(B) DATA AND INFORMATION.—The data  
19 and information to be collected under subpara-  
20 graph (A) may include—

21 “(i) charges, including those related  
22 to ancillary services;

23 “(ii) the required intensity of behav-  
24 ioral monitoring, such as cognitive deficit,  
25 suicide ideations, violent behavior, and  
26 need for physical restraint; and

1 “(iii) interventions, such as detoxifica-  
2 tion services for substance abuse, depend-  
3 ence on respirator, total parenteral nutri-  
4 tional support, dependence on renal dialy-  
5 sis, and burn care.

6 “(C) METHOD OF COLLECTION.—The Sec-  
7 retary may collect the additional data and infor-  
8 mation under subparagraph (A) on cost reports  
9 or claims.

10 “(D) REVISIONS TO PAYMENT RATES.—

11 “(i) IN GENERAL.—Notwithstanding  
12 the preceding paragraphs of this sub-  
13 section or section 124 of the Medicare,  
14 Medicaid, and SCHIP Balanced Budget  
15 Refinement Act of 1999, for rate year  
16 2025 (and for any subsequent rate year, if  
17 determined appropriate by the Secretary),  
18 the Secretary shall, by regulation, imple-  
19 ment revisions to the methodology for de-  
20 termining the payment rates under the  
21 system described in paragraph (1) for psy-  
22 chiatric hospitals and psychiatric units, as  
23 the Secretary determines to be appropriate.  
24 Such revisions may be based on a review of

1 data and information collected under sub-  
2 paragraph (A).

3 “(ii) REVIEW.—The Secretary may  
4 make revisions to the diagnosis-related  
5 group classifications, in accordance with  
6 subsection (d)(4)(C), to reflect nursing and  
7 staff resource use and costs involved in  
8 furnishing services at such hospitals and  
9 units, including considerations for patient  
10 complexity and prior admission to an inpa-  
11 tient psychiatric facility, which may be  
12 based on review of data and information  
13 collected under subparagraph (A), as the  
14 Secretary determines to be appropriate.

15 “(iii) BUDGET NEUTRALITY.—Revi-  
16 sions in payment implemented pursuant to  
17 clause (i) for a rate year shall result in the  
18 same estimated amount of aggregate ex-  
19 penditures under this title for psychiatric  
20 hospitals and psychiatric units furnished in  
21 the rate year as would have been made  
22 under this title for such care in such rate  
23 year if such revisions had not been imple-  
24 mented.”.

1 (b) IMPROVEMENTS THROUGH STANDARDIZED PA-  
2 TIENT ASSESSMENT DATA.—Section 1886(s) of the Social  
3 Security Act (42 U.S.C. 1395ww(s)), as amended by sub-  
4 section (a), is further amended—

5 (1) in paragraph (4)—

6 (A) in subparagraph (A)(i), by striking  
7 “subparagraph (C)” and inserting “subpara-  
8 graphs (C) and (E)”;

9 (B) by redesignating subparagraph (E) as  
10 subparagraph (F);

11 (C) by inserting after subparagraph (D)  
12 the following new subparagraph:

13 “(E) STANDARDIZED PATIENT ASSESS-  
14 MENT DATA.—

15 “(i) IN GENERAL.—For rate year  
16 2028 and each subsequent rate year, in ad-  
17 dition to such data on the quality measures  
18 described in subparagraph (C), each psy-  
19 chiatric hospital and psychiatric unit shall  
20 submit to the Secretary, through the use of  
21 a standardized assessment instrument im-  
22 plemented under clause (iii), the standard-  
23 ized patient assessment data described in  
24 clause (ii). Such data shall be submitted  
25 with respect to admission and discharge of

1 an individual (and may be submitted more  
2 frequently as the Secretary determines ap-  
3 propriate).

4 “(ii) STANDARDIZED PATIENT AS-  
5 SESSMENT DATA DESCRIBED.—For pur-  
6 poses of clause (i), the standardized pa-  
7 tient assessment data described in this  
8 clause, with respect to a psychiatric hos-  
9 pital or psychiatric unit, is data with re-  
10 spect to the following categories:

11 “(I) Functional status, such as  
12 mobility and self-care at admission to  
13 a psychiatric hospital or unit and be-  
14 fore discharge from a psychiatric hos-  
15 pital or unit.

16 “(II) Cognitive function, such as  
17 ability to express ideas and to under-  
18 stand, and mental status, such as de-  
19 pression and dementia.

20 “(III) Special services, treat-  
21 ments, and interventions for psy-  
22 chiatric conditions.

23 “(IV) Medical conditions and co-  
24 morbidities, such as diabetes, conges-  
25 tive heart failure, and pressure ulcers.

1 “(V) Impairments, such as incon-  
2 tinence and an impaired ability to  
3 hear, see, or swallow.

4 “(VI) Other categories as deter-  
5 mined appropriate by the Secretary.

6 “(iii) STANDARDIZED ASSESSMENT IN-  
7 STRUMENT.—

8 “(I) IN GENERAL.—For purposes  
9 of clause (i), the Secretary shall im-  
10 plement a standardized assessment in-  
11 strument that provides for the sub-  
12 mission of standardized patient as-  
13 sessment data under this title with re-  
14 spect to psychiatric hospitals and psy-  
15 chiatric units which enables compari-  
16 son of such assessment data across all  
17 such hospitals and units to which such  
18 data are applicable.

19 “(II) FUNDING.—The Secretary  
20 shall provide for the transfer, from  
21 the Federal Hospital Insurance Trust  
22 Fund under section 1817 to the Cen-  
23 ters for Medicare & Medicaid Services  
24 Program Management Account, of

1                   \$10,000,000 for purposes of carrying  
2                   out subclause (I).”; and

3                   (D) in subparagraph (F), as redesignated  
4                   by subparagraph (B) of this paragraph, by  
5                   striking “subparagraph (C)” and inserting  
6                   “subparagraphs (C) and (F)”; and

7                   (2) by adding at the end the following new  
8                   paragraph:

9                   “(6) ADDITIONAL CONSIDERATIONS FOR DIAG-  
10                  NOSIS-RELATED GROUP CLASSIFICATIONS.—

11                  “(A) IN GENERAL.—Notwithstanding the  
12                  preceding paragraphs of this subsection (other  
13                  than paragraph (5)) or section 124 of the Medi-  
14                  care, Medicaid, and SCHIP Balanced Budget  
15                  Refinement Act of 1999, beginning not later  
16                  than rate year 2031, in addition to any revi-  
17                  sions pursuant to paragraph (5), the Secretary  
18                  shall, by regulation, implement revisions to the  
19                  methodology for determining the payment rates  
20                  under the system described in paragraph (1) for  
21                  psychiatric hospitals and psychiatric units, as  
22                  the Secretary determines to be appropriate, to  
23                  take into account the patient assessment data  
24                  described in paragraph (4)(E)(ii).



1           “(B) BUDGET NEUTRALITY.—Revisions in  
2           payment implemented pursuant to subpara-  
3           graph (A) for a rate year shall result in the  
4           same estimated amount of aggregate expendi-  
5           tures under this title for psychiatric hospitals  
6           and psychiatric units furnished in the rate year  
7           as would have been made under this title for  
8           such care in such rate year if such revisions  
9           had not been implemented.”.

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