



DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Parts 412 and 482

[CMS-1731-CN and CMS-1744-CN]

RIN-0938-AU07 and 0938-AU31

Medicare Program; FY 2021 Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) and Special Requirements for Psychiatric Hospitals for Fiscal Year Beginning October 1, 2020 (FY 2021); Correction

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Final rule; correction.

SUMMARY: In the August 4, 2020 issue of the **Federal Register**, we published a final rule entitled “FY 2021 Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) and Special Requirements for Psychiatric Hospitals for Fiscal Year Beginning October 1, 2020 (FY 2021)”. The August 4, 2020 final rule updates the prospective payment rates, the outlier threshold, and the wage index for Medicare inpatient hospital services provided by Inpatient Psychiatric Facilities (IPF), which include psychiatric hospitals and excluded psychiatric units of an Inpatient Prospective Payment System (IPPS) hospital or critical access hospital. In addition, we adopted more recent Office of Management and Budget (OMB) statistical area delineations, and applied a 2-year transition for all providers negatively impacted by wage index changes. This correction

document corrects the statement of economic significance in the August 4, 2020 final rule.

DATES: This correction is effective October 1, 2020.

FOR FURTHER INFORMATION CONTACT: The IPF Payment Policy mailbox at IPFPaymentPolicy@cms.hhs.gov for general information.

Nicolas Brock, (410) 786-5148, for information regarding the statement of economic significance.

SUPPLEMENTARY INFORMATION:

I. Background

In FR Doc. 2020-16990 (85 FR 47042), the final rule entitled “FY 2021 Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) and Special Requirements for Psychiatric Hospitals for Fiscal Year Beginning October 1, 2020 (FY 2021)” (hereinafter referred to as the FY 2021 IPF PPS final rule) there was an error in the statement of economic significance and status as major under the Congressional Review Act (5 U.S.C. 801 et seq.). Based on an estimated total impact of \$95 million in increased transfers from the federal government to IPF providers, we previously stated that the final rule was not economically significant under Executive Order (EO) 12866, and that the rule was not a major rule under the Congressional Review Act. However, the Office of Management and Budget designated this rule as economically significant under EO 12866 and major under the Congressional Review Act. We are correcting our previous statement in the August 4, 2020 final rule accordingly. This correction is effective October 1, 2020.

II. Summary of Errors

On page 47064, in the third column, the third full paragraph under B. Overall Impact should be replaced entirely. The entire paragraph stating:

“We estimate that this rulemaking is not economically significant as measured by the \$100 million threshold, and hence not a major rule under the Congressional Review Act. Accordingly, we have prepared a Regulatory Impact Analysis that to the best of our ability presents the costs and benefits of the rulemaking.”

should be replaced with:

“We estimate that the total impact of this final rule is close to the \$100 million threshold. The Office of Management and Budget has designated this rule as economically significant under EO 12866 and a major rule under the Congressional Review Act (5 U.S.C. 801 et seq.). Accordingly, we have prepared a Regulatory Impact Analysis that to the best of our ability presents the costs and benefits of the rulemaking.”

III. Waiver of Proposed Rulemaking and Delay in Effective Date

We ordinarily publish a notice of proposed rulemaking in the **Federal Register** to provide a period for public comment before the provisions of a rule take effect in accordance with section 553(b) of the Administrative Procedure Act (APA) (5 U.S.C. 553(b)). However, we can waive this notice and comment procedure if the Secretary of the Department of Human Services finds, for good cause, that the notice and comment process is impracticable, unnecessary, or contrary to the public interest, and incorporates a statement of the finding and the reasons therefore in the notice.

This correction document does not constitute a rulemaking that would be subject to these requirements because it corrects only the statement of economic significance included in the FY 2021 IPF PPS final rule. The corrections contained in this document are consistent with, and do not make substantive changes to, the policies and payment methodologies that were adopted and subjected to notice and comment procedures in the FY 2021 IPF PPS final rule. Rather, the corrections made through this correction document are intended to ensure that the FY 2021 IPF PPS final rule accurately reflects OMB's determination about its economic significance and major status under the Congressional Review Act (CRA). Executive Order 12866 and CRA determinations are functions of the Office of Management and Budget, not the Department of Health and Human Services, and are not rules as defined by the Administrative Procedure Act (5 U.S. Code 551(4)).

We ordinarily provide a 60-day delay in the effective date of final rules after the date they are issued, in accordance with the CRA (5 U.S.C. 801(a)(3)). However, section 808(2) of the CRA provides that, if an agency finds good cause that notice and public procedure are impracticable, unnecessary, or contrary to the public interest, the rule shall take effect at such time as the agency determines. Even if this were a rulemaking to which the delayed effective date requirement applied, we found, in the FY 2021 IPF PPS Final Rule (85 FR 47043), good cause to waive the 60-day delay in the effective date of the IPF PPS final rule. In the final rule, we explained that, due to CMS prioritizing efforts in support of containing and combatting the COVID-19 public health emergency by devoting significant resources to that end, the work needed on the IPF PPS final rule was not completed in accordance with our usual rulemaking schedule. We noted that it is

critical, however, to ensure that the IPF PPS payment policies are effective on the first day of the fiscal year to which they are intended to apply and therefore, it would be contrary to the public interest to not waive the 60-day delay in the effective date.

Undertaking further notice and comment procedures to incorporate the corrections in this document into the FY 2021 IPF PPS final rule or delaying the effective date would be contrary to the public interest because it is in the public's interest to ensure that the policies finalized in the FY 2021 IPF PPS are effective as of the first day of the fiscal year to ensure providers and suppliers receive timely and appropriate payments. Further, such procedures would be unnecessary, because we are not altering the payment methodologies or policies. Rather, the correction we are making is only to indicate that the FY 2021 IPF PPS final rule is economically significant and a major rule under the CRA. For these reasons, we find we have good cause to waive the notice and comment and effective date requirements.

IV. Correction of Errors in the Preamble

In FR Doc. 2020-16990, appearing on page 47042 in the Federal Register of Tuesday, August 4, 2020, the following correction is made:

1. On page 47064, in the 3rd column, under B. Overall Impact, correct the third full paragraph to read as follows:

We estimate that the total impact of this final rule is very close to the \$100 million threshold. The Office of Management and Budget has designated this rule as economically significant under EO 12866 and a major rule under the Congressional Review Act (5 U.S.C. 801 et seq.). Accordingly, we have prepared

a Regulatory Impact Analysis that to the best of our ability presents the costs and benefits of the rulemaking.

Dated: August 24, 2020

Wilma M. Robinson,

Deputy Executive Secretary to the

Department,

Department of Health and Human

Services.

[FR Doc. 2020-18902 Filed: 8/26/2020 8:45 am; Publication Date: 8/27/2020]