

News RELEASE

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APA Will Analyze CMS's Proposed Payment System for Inpatient Psychiatric Facilities

The American Psychiatric Association (APA) said today that it is pleased to see the Nov. 28 announcement from the Centers for Medicare & Medicaid Services (CMS) proposing a new Medicare prospective payment system for inpatient psychiatric facilities. Analysis of the proposed rule will determine its faithfulness to the payment system proposal put forth by the APA and others.

“Switching from a cost-based to a per diem-like payment system will be significant for inpatient psychiatric care in the United States, which is in a fragile state,” said APA Medical Director James H. Scully Jr., M.D. “How inpatient psychiatric hospitals fare under this new methodology will have a direct and substantial impact on physicians and their patients. We expect input from a wide variety of interested parties to complement our rigorous review, which, in addition to examining the specific payment methodology, will encompass other matters in CMS’s proposal, such as the role of DSM-IV.”

The proposed rule would affect about 2000 inpatient psychiatric facilities, including freestanding psychiatric hospitals and certified psychiatric units in general acute care hospitals. APA is analyzing the proposed rule in collaboration with The Health Education Outcomes Research Institute (THEORI) of the Greater New York Hospital Association (GNYHA), with the research institute offering advanced data analysis capabilities.

“We are pleased to finally see CMS’s publication of the proposed rule, which clearly recognizes the payment system proposal advanced by APA and THEORI,” said Joseph English, M.D., who is a past president of the APA, the current chair of its Committee on Reimbursement for Psychiatric Care, and current chair of GNYHA’s Mental Health and Substance Abuse Committee. “Our detailed analysis is under way, but we believe this rule, in principle, applies a methodology with significant explanatory power for a patient classification system. That, we believe, is good science and should result in a fair allocation of resources.”

Scully added that “the proposed rule reflects three key policy issues for us: that it is based on current CMS administrative data; that it is clinically relevant; and that it limits the administrative burden on providers.”

APA will issue specific comments to CMS by the Jan. 23, 2004, deadline.

APA also announced that THEORI has developed a consultation service for affected psychiatric facilities.

To view CMS’s proposed rule, follow this link: <http://www.cms.hhs.gov/providers/ipfpps/cms-1213-p.pdf>

To read more on CMS's proposed rule, view coverage in Psychiatric News at: <http://pn.psychiatryonline.org/cgi/content/full/38/22/1-a>

The American Psychiatric Association is a national medical specialty society, founded in 1844, whose 35,000 physician members specialize in the diagnosis, treatment and prevention of mental illnesses including substance use disorders. For more information, visit the APA Web site at www.psych.org.

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