

CMS Unveils Modified Policies and Increased Reimbursements for Hospital Inpatient and Long Term Care Hospital (LTCH) Services

Health Equity

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The Centers for Medicare and Medicaid Services (CMS), through its [FY 2025 Hospital Inpatient Prospective Payment System \(IPPS\) and Long-Term Care Hospital Prospective Payment System \(LTCH PPS\) Final Rule](#), issued policies aimed at furthering the Biden Administration's goal to improve the health of communities historically underserved and lacking vital resources, as well as incentivizing value based care. By employing social determinants of health (SDOH) in making policy-related decisions, CMS is able to fine tune its allocation of resources to target those individuals most in need of improved access to equitably delivered care. One such development includes enhanced reimbursement for hospitals treating patients facing housing insecurity. Another CMS measure is to extend a separate payment to small independent hospitals—many of which are rural—that establish and maintain access to a buffer stock of essential medicines, thereby helping to lessen the risk of drug shortages and improve patient care. In addition, both LTCHs and certain qualifying general acute care hospitals will receive broad reimbursement hikes under their respective prospective payment systems.