



701 13<sup>th</sup> Street, NW, Suite 950  
Washington, DC 20005-3903  
Phone: 202/393-6700  
Fax: 202/783-6041  
E-mail: [naphs@naphs.org](mailto:naphs@naphs.org)  
Web: [www.naphs.org](http://www.naphs.org)

**SUBMITTED ELECTRONICALLY:** [www.regulations.gov](http://www.regulations.gov)

June 26, 2009

Ms. Charlene Frizzera  
Acting Administrator  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW, Room 445-G  
Washington, DC 20201

**RE: CMS-1495-NC:** Medicare Program; Inpatient Psychiatric Facilities Prospective Payment System Payment Update for Rate Year Beginning July 1, 2009 (RY 2010)

Dear Ms. Frizzera,

As an association representing behavioral healthcare provider organizations and professionals, the National Association of Psychiatric Health Systems (NAPHS) appreciates the opportunity to provide comments on the "Medicare Program; Inpatient Psychiatric Facilities (IPF) Prospective Payment System (PPS) Payment Update for Rate Year Beginning July 1, 2009 (RY 2010)" [CMS-1495-NC] as published in the May 1, 2009, *Federal Register*.

#### **ABOUT NAPHS**

Founded in 1933, NAPHS advocates for behavioral health and represents provider systems that are committed to the delivery of responsive, accountable, and clinically effective prevention, treatment, and care for children, adolescents, adults, and older adults with mental and substance use disorders. Our members are behavioral healthcare provider organizations, including more than 600 psychiatric hospitals, general hospital psychiatric and addiction treatment units, residential treatment centers, youth services organizations, outpatient networks, and other providers of care. Our members deliver all levels of care, including inpatient care, residential treatment, partial hospitalization services, and outpatient services.

#### **COMMENTS**

##### **Market Basket Index/Stand Alone Market Basket for IPF**

Currently, the market basket for IPFs is based on the costs of rehabilitation, long-term care, and psychiatric hospitals. We believe that this approach has been workable, but also believe that creating a stand-alone inpatient psychiatric facility market basket could be a more accurate index for the costs of delivering care for these providers. However, we do

not have any independent data at this time that would help the Centers for Medicare and Medicaid Services (CMS) in developing a stand-alone market basket. As CMS further analyzes more recent data from these facilities and develops plans to propose any changes to the underlying system, we would suggest that this issue of a stand-alone market basket continue to be analyzed.

**FTE Intern and Resident Cap Adjustment**

As mentioned in the CMS May 1, 2009, *Federal Register* notice, the original IPF PPS imposed a cap on the number of full-time equivalent (FTE) residents that may be used to calculate the teaching status adjustment. The cap is based on the number of FTE residents reported in the IPF's most recent cost report filed before November 15, 2004.

Based on our knowledge, we have not heard of many facilities that have experienced a problem exceeding the cap. However, there have been specific cases where it has created problems and prevented some changes in the training of residency from one IPF to another. For example, a facility in the northeast that is part of a large health system wanted to close down the training program in their large outpatient department and shift the residents to an IPF owned by the health system. However, the cap prevented the system from moving the residents from the outpatient program to the IPF. This is just one example of the cap limiting the flexibility of health systems to become more efficient by consolidating programs and residency training.

In addition, we know that inpatient psychiatric programs are closing in different parts of the country, so the cap issue could become more of a problem in the future.

Therefore, we would suggest that CMS consider modifying its IPF PPS resident limit policy to help address the psychiatrist shortage and help ensure access to these critical services for Medicare beneficiaries with mental and addictive disorders.

**CONCLUSION**

Thank you for your consideration of our comments. We look forward to working with the Department of Health and Human Services and CMS on these issues.

Sincerely,

Mark Covall  
President/ CEO