1. CMS issues final FY17 Medicare payment and policy changes for inpatient psychiatric facilities.
2. Hospital final rule includes updates on IPF quality reporting, observation status, and uncompensated care.
4. CMS creates technical assistance mailbox for questions on Medicaid/CHIP mental health parity rule.
5. State leaders discuss approaches used in implementing the federal parity law.
6. AHA and NAPHS comment on proposed hospital Conditions of Participation.
7. Demand is strong for psychiatric inpatient services, NAPHS Annual Survey finds.
8. New release of “IPF Reporting Program Manual” includes latest updates.
9. Revised measure abstraction tool is online for HBIPS-2 and -3.
10. New director joining NIMH in September.
11. Surgeon General launches campaign to “Turn the Tide” on prescription opioid epidemic.
12. SAMHSA appoints new chief medical officer.
13. Only one-third of young adults with any mental illness received mental health services in the past year, SAMHSA reports.
14. Study finds young people with diabetes were more likely to be hospitalized for mental health or substance use.
16. CDC looks at suicide rates by occupational group.
17. Scientists create updated map of human brain.
19. CDC: Increase in neonatal abstinence syndrome varies by state.
20. Marijuana use and risk perception patterns vary within and across states, SAMHSA reports.

1. CMS ISSUES FINAL FY17 MEDICARE PAYMENT AND POLICY CHANGES FOR INPATIENT PSYCHIATRIC FACILITIES. The Centers for Medicare and Medicaid Services (CMS) issued a notice in the August 1 Federal Register updating fiscal year 2017 (FY17) Medicare payment policies and rates for the Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS). CMS makes a net payment increase of 2.2% (or $100 million) compared to FY16. This includes a 2.8% market-basket, offset by cuts of 0.3% for productivity and a further Affordable Care Act-mandated cut of 0.2%, as well as a decrease of 0.1% for high-cost outlier cases. CMS also completes its transition to the most recent labor market areas issued by the Office of Management and Budget (OMB). Specifically, the agency adopted these new areas for the FY16 IPF PPS wage index, but implemented a one-year transition. In addition, when implementing these new areas, several IPFs changed from rural to urban, thus losing eligibility for the rural payment add-on of 17%. In the FY16 IPF PPS final rule, CMS implemented a policy to gradually phase out the rural adjustment for these IPFs over three years. The affected IPFs received two-thirds of the rural adjustment in FY16, and will now receive one-third of the rural adjustment for FY17. CMS anticipates completing the phase-out in FY18. A CMS fact sheet on the FY17 notice is online, along with a Medicare Learning Network (MLN) Matters article (MM9732) titled “Update—Inpatient Psychiatric Facilities Payment System Fiscal Year 2017.” The updated IPF PPS rates are effective for discharges occurring on or after October 1, 2016, through September 30, 2017.
2. **HOSPITAL FINAL RULE INCLUDES UPDATES ON IPF QUALITY REPORTING, OBSERVATION STATUS, AND UNCOMPENSATED CARE.** In a final rule updating the inpatient prospective payment system for acute care hospitals (paid under DRGs), the Centers for Medicare and Medicaid Services (CMS) announced several decisions that affect all hospitals, including psychiatric hospitals. **IPFQR:** In the rule, CMS announced updates to the Inpatient Psychiatric Facility Quality Reporting (IPFQR) Program (see pages 57236–57249). CMS is finalizing a technical update to the previously finalized measure, “Screening for Metabolic Disorder.” CMS is also finalizing the addition of two new measures to the program beginning with the FY19 payment determination: 1) “Thirty-day All-Cause Readmission Following Psychiatric Hospitalization in an IPF,” which is a measure calculated from administrative claims data; and 2) “SUB-3: Alcohol & Other Drug Use Disorder Treatment Provided or Offered at Discharge” and the subset measure “SUB-3a: Alcohol & Other Drug Use Disorder Treatment at Discharge” (NQF #1664). SUB-3/3a is a chart-abstracted measure that complements the previously adopted substance abuse measures in the IPFQR Program. In addition, CMS is finalizing a policy to include the SUB-3/SUB-3a measure in the list of measures covered by the global sample for the FY19 payment determination and subsequent years. The agency is also finalizing that it will make the data for the IPFQR Program available as soon as possible and announce both the date of public display of the program’s data and the 30-day preview period via sub-regulatory methods. CMS is also finalizing that the agency will no longer specify how long before public display the preview period will be; this timeframe was previously finalized as 12 weeks. For the FY17 payment determination only, CMS is finalizing that, if it is technically feasible to display the data in December 2016, the agency would provide data to IPFs for a two-week preview period that would start on October 1, 2016. For the FY17 payment determination only, if CMS is able to display the data in December 2016, the agency said it would ensure that IPFs have approximately 30 days for review by providing IPFs with their data as early as mid-September. **OBSERVATION STATUS:** Under the NOTICE Act, hospitals are required to furnish a new proposed CMS-developed standardized notice, the Medicare Outpatient Observation Notice (MOON), to a Medicare beneficiary who has been receiving observation services as an outpatient for more than 24 hours. In the final rule, CMS delayed implementation of the law until at least December or January. CMS also finalized a policy that hospitals may deliver the MOON to individuals receiving observation services as an outpatient before such individuals have received more than 24 hours of observation services. Comments on the standardized notice (the MOON) will be open for a 30-day public comment period, ending on September 1. **UNCOMPENSATED CARE:** CMS did not finalize its proposal to begin to incorporate Worksheet S-10 data into the computation of uncompensated care payments in FY18. CMS says it will institute certain additional quality control and data improvement measures to the Worksheet S-10 instructions and data prior to moving forward with incorporation of the data. The final rule is effective October 1, 2016. A CMS fact sheet on the rule is also online.

3. **JOINT COMMISSION RELEASES UPDATED SENTINEL EVENT INFORMATION.** The Joint Commission has released updated Sentinel Event data through the second quarter of 2016. Three reports are available, including 1) a Sentinel Event Data Summary—As of July 5, 2016; 2) Sentinel Event Data—Event Type by Year (from 1995 to Q2 in 2016); and 3) Sentinel Event Data - General Information - Sentinel Event Statistics Data - General Information (1995-2016). The reports note, for example, that “suicide is the 10th leading cause of death in the United States and continues to be consistently among the most frequently reviewed Sentinel Events reviewed by The Joint Commission.”

4. **CMS CREATES TECHNICAL ASSISTANCE MAILBOX FOR QUESTIONS ON MEDICAID/CHIP MENTAL HEALTH PARITY RULE.** The Centers for Medicare and Medicaid Services’ (CMS’) Center for Medicaid and CHIP Services (CMCS) has announced creation of a mailbox so that states, providers, and consumers may send questions regarding the Medicaid and CHIP final rule for mental health parity. The final rule, issued in March, outlines how the Mental Health
Parity and Addiction Equity Act of 2008 (MHPAEA) applies to Medicaid managed care organizations, Medicaid alternative benefit plans, and the Children’s Health Insurance Program (CHIP). Technical assistance on the final rule will begin this fall and continue through 2018. However, questions on parity can be submitted to the mailbox (at parity@cms.hhs.gov) at any time.

5. STATE LEADERS DISCUSS APPROACHES USED IN IMPLEMENTING THE FEDERAL PARITY LAW. A new report from the Substance Abuse and Mental Health Services Administration (SAMHSA), Approaches in Implementing the Mental Health Parity and Addiction Equity Act: Best Practices from the States, identifies best practices used by states in implementing and monitoring compliance with the federal parity law. To develop the guide, SAMHSA consulted with insurance commissioners and other officials from seven states (CA, CT, MD, MA, NY, OR, and RI) with robust parity implementation efforts. Interviewees identified five primary components that they considered critical for the successful implementation and monitoring of parity: 1) open channels of communication, 2) standardization of materials, 3) creation of templates, workbooks and other tools, 4) implementation of market conduct exams and network adequacy assessments, and 5) collaboration with multiple state and federal agencies, health insurance carriers, and stakeholder groups. “States and other stakeholders can use the approaches described in the publication to promote implementation and compliance, ensuring parity for all Americans,” SAMHSA said.

6. AHA AND NAPHS COMMENT ON PROPOSED HOSPITAL CONDITIONS OF PARTICIPATION. In separate comment letters, both the American Hospital Association (AHA) and National Association of Psychiatric Health Systems (NAPHS) shared feedback with the Centers for Medicare and Medicaid Services (CMS) on a proposed rule that would modify Conditions of Participation (CoPs) for all hospitals (including psychiatric hospitals and critical access hospitals) participating in the Medicare and Medicaid programs. The AHA comment letter noted that AHA supports many of CMS’s proposals but urged the agency to make several revisions “to improve clarity and ensure the final standards are practical and effective in meeting desired outcomes.” The NAPHS comment letter strongly cautioned against changes that are overly prescriptive. Because CoPs are not updated frequently, “CoPs should stay as a framework that supports quality over time, particularly in an era when change is rapid,” NAPHS said. “It is important that CoPs not be overly prescriptive if innovation is to continue at a rapid pace.”

7. DEMAND IS STRONG FOR PSYCHIATRIC INPATIENT SERVICES, NAPHS ANNUAL SURVEY FINDS. The need for psychiatric services in inpatient hospitals continues to grow, according to the latest annual survey from the National Association of Psychiatric Health Systems (NAPHS). The survey reports 2014 data that was collected in 2015 from NAPHS-member organizations. Data were analyzed and reported by Dobson DaVanzo & Associates, LLC, Vienna, VA. According to the report, trended admissions have increased over the past year (while length of stay slightly decreased, keeping total inpatient days of care constant). To accommodate for increased utilization in inpatient facilities, the survey reports that the number of set-up and staffed beds increased. While the inpatient occupancy decreased by 0.1%, the number of set-up and staffed beds in inpatient facilities increased 3.6% from 2013 to 2014. At the same time, said NAPHS, intensive outpatient services, such as partial hospitalization, continued to accelerate. The average number of partial hospitalization visits increased 7.8% from 2013 to 2014. The report is available to the public for $400. Online ordering information and a Table of Contents are at www.naphs.org.

8. NEW RELEASE OF “IPF REPORTING PROGRAM MANUAL” INCLUDES LATEST UPDATES. A new release of the Inpatient Psychiatric Facility (IPF) Quality Reporting (QR) Program Manual is now available. This release (dated June 7) includes IPFQR measure specifications for fiscal years 2017 and 2018 (FY17 and FY18), including measures on Transition of Care and Metabolic Screening. The new manual, along with other recently updated IPFQR resources, can be downloaded

9. REVISED MEASURE ABSTRACTION TOOL IS ONLINE FOR HBIPS-2 AND -3. The Centers for Medicare and Medicaid Services (CMS) and the Hospital Inpatient Value, Incentives, and Quality Reporting Support Contractor have announced that a revised measure abstraction tool for the HBIPS-2 and -3 measures is now available online. “Some facilities have submitted data for these measures that appear to result from a misunderstanding of how to calculate the measure values. We have updated the tool to clarify how to calculate data for these measures,” they said in an email to the field. “We hope this will be helpful.” The HBIPS-2 and -3 Measure Abstraction Tool is designed to assist facilities in the collection of data for the Inpatient Psychiatric Facility Quality Reporting (IPFQR) Program. This is an optional, informal abstraction mechanism that is currently available on the Quality Reporting Center website under “IPFQR Program Resources and Tools.” (It will be available on the IPFQR Program “Resources” page of the QualityNet website at a later date.) Direct questions to https://cms-ip.custhelp.com or phone 844-472-4477 or 866-800-8765 from 8am to 8pm Eastern.

10. NEW DIRECTOR JOINING NIMH IN SEPTEMBER. The National Institute of Mental Health (NIMH) has announced that psychiatrist Joshua A. Gordon, M.D., Ph.D., will become its next director. Dr. Gordon had been serving as associate professor of psychiatry at Columbia University Medical Center and research psychiatrist at the New York State Psychiatric Institute. In addition to his research, Dr. Gordon is an associate director of the Columbia University/New York State Psychiatric Institute Adult Psychiatry Residency Program, where he directs the neuroscience curriculum and administers the research programs for residents. He is expected to join NIMH this month, taking the place of NIMH Acting Director Bruce Cuthbert, Ph.D.

11. SURGEON GENERAL LAUNCHES CAMPAIGN TO “TURN THE TIDE” ON PRESCRIPTION OPIOID EPIDEMIC. Every day, more than 75 Americans die from a prescription drug or heroin overdose. As part of a national campaign on the prescription opioid epidemic, U.S. Surgeon General Vivek Murthy, M.D., launched http://TurnTheTideRx.org/#. The website provides information about opioids (including risks, benefits, and guidance on how best to prescribe these medications). For clinicians, there are tools for treatment and in-the-trenches stories from colleagues who are on the front lines of fighting this epidemic. “We hope you will join the movement and be part of the solution,” said Dr. Murthy.

12. SAMHSA APPOINTS NEW CHIEF MEDICAL OFFICER. Effective September 5, Anita Everett, M.D., will become head of the newly created Office of Chief Medical Officer (OCMO) within the Substance Abuse and Mental Health Services Administration (SAMHSA). In February 2016, Dr. Everett was chosen to serve as the next president-elect for the American Psychiatric Association (APA). She has previously served as division director of Johns Hopkins Community and General Psychiatry, Bayview Campus, in Baltimore and associate professor in the Department of Psychiatry and Behavioral Sciences at Johns Hopkins School of Medicine. Her area of research has been the health behavior of individuals with long-term mental illnesses. The OCMO will have five dedicated staff, including an additional medical doctor, and “will greatly expand SAMHSA's ability to provide effective, state-of-the-art, evidence-based approaches to promote the nation's behavioral health services,” said SAMHSA Principal Deputy Administrator Kana Enomoto in announcing the appointment.

13. ONLY ONE-THIRD OF YOUNG ADULTS WITH ANY MENTAL ILLNESS RECEIVED MENTAL HEALTH SERVICES IN THE PAST YEAR, SAMHSA REPORTS. Among adults with any mental illness (AMI), young adults aged 18 to 25 are less likely (33.6%) to receive mental health services than adults aged 26 to 49 (44.2%) or adults aged 50 or older (49.9%), according to a
Spotlight report from the Substance Abuse and Mental Health Services Administration’s (SAMHSA’s) Center for Behavioral Health Statistics and Quality (CBHSQ). The analysis is based on data from the 2014 National Survey on Drug Use and Health. In 2014, about 2.4 million (or 33.6%) of young adults with AMI received mental health services such as inpatient services, outpatient services, or prescription medication in the past year. “This means that about two-thirds (66.4%) of young adults with AMI are not receiving potentially needed mental health services,” SAMHSA said. “Because young adults with AMI are less likely to receive services than adults in other age groups, young adults may benefit from developmentally appropriate services to facilitate the transition to adulthood,” SAMHSA says. “Young adults with AMI [any mental illness] may want to talk to a mental healthcare professional to find out what type of services would best meet their needs.”

14. STUDY FINDS YOUNG PEOPLE WITH DIABETES WERE MORE LIKELY TO BE HOSPITALIZED FOR MENTAL HEALTH OR SUBSTANCE USE. Young adults (ages 19-25) with diabetes had four times more hospital admissions for mental health and substance use than did young adults without diabetes, according to a study by the Health Care Cost Institute (HCCI). “In 2014, there were 37 mental health and substance use per 1,000 young adults with diabetes – a 23.4% increase from the year before,” said an HCCI release. And the 2014 rate was 68% higher than two years earlier, when the rate of mental health/substance use hospitalizations per 1,000 for that group was 22. A Kaiser Health News analysis examines possible reasons behind the trend.

15. REPORT DETAILS TRENDS IN BEHAVIORAL HEALTH SPENDING AND USE FROM 1986-2014. In 2014, mental health and substance use disorder (MH/SUD) spending totaled $220 billion, according to a Substance Abuse and Mental Health Services Administration (SAMHSA) report titled Substance Abuse and Mental Health Services Administration, Behavioral Health Spending and Use Accounts, 1986-2014. The report analyzes mental health and substance use disorder spending by payment source as well as provider, setting, and specialty type between 1986 and 2014. It focuses on direct treatment costs (vs. disease burden costs). Among other things, it notes that MH/SUD spending decreased as a share of overall health spending from 1986 to 2005 (going from 9.3% to 7.2%), remained stable through 2010, and then increased to 7.5% in 2014. The report is the latest in SAMHSA's Behavioral Health Spending and Use Accounts series.

16. CDC LOOKS AT SUICIDE RATES BY OCCUPATIONAL GROUP. Knowing that suicide rates vary by occupation gives employers and prevention professionals the opportunity to improve suicide prevention programs and messages, notes the Centers for Disease Control and Prevention (CDC) in a June 30 Morbidity and Mortality Weekly Report. In Suicide Rates by Occupational Group–17 States, 2012, the CDC reports that workers in the farming, fishing, and forestry occupational group had the highest rate of suicide (84.5 per 100,000), followed by workers in construction and extraction (53.3), and installation, maintenance, and repair (47.9). Among males, farming, fishing, and forestry also accounted for the highest rates of suicide (90.5 per 100,000), whereas the highest rate among females (14.1) was among workers in the protective service occupational group. “Knowing who needs to be reached by suicide prevention activities can help connect at-risk individuals to assistance and lower the potential for suicide,” the CDC said. “Suicide prevention strategies that can be applied in the workplace include employee assistance programs; workplace wellness programs; technology to provide online mental health screenings and web-based tools; and increased awareness of the National Suicide Prevention Lifeline at www.suicidepreventionlifeline.org or 1-800-273-TALK [8255].”

17. SCIENTISTS CREATE UPDATED MAP OF HUMAN BRAIN. Researchers have mapped 180 distinct areas in the brain’s outer mantle (or cortex) – more than twice the number (83) previously discovered. As reported in a study in the July 20 Nature, this is a step that may eventually lead researchers to new insights into neurological and psychiatric conditions. The study is part of the
broader Human Connectome Project that aims to improve understanding of the human brain. See a National Institute of Mental Health (NIMH) summary of the new research.

18. REPORT LOOKS AT INTERVENTIONS TO SUPPORT PARENTS OF CHILDREN AGES 0-8. The National Academies of Sciences, Engineering, and Medicine has released Parenting Matters: Supporting Parents of Children Ages 0-8. The new report from the Academies’ Board on Children, Youth, and Families reviews research on parenting practices and identifies effective practices. The report also recommends ways agencies and others can support interventions that help more parents learn about effective parenting practices. The committee identified a number of features and practices of parenting interventions that “appear to increase parents’ use of effective parenting practices and promote parents’ participation and retention in programs and services.” These include, among other things, viewing parents as equal partners in determining the types of services that would most benefit them and their children; tailoring interventions to meet the specific needs of families; addressing trauma, which can interfere with parenting and healthy child development; and making programs culturally relevant.

19. CDC: INCREASE IN NEONATAL ABSTINENCE SYNDROME VARIES BY STATE. The overall incidence of neonatal abstinence syndrome (NAS), a condition that occurs primarily among newborns exposed to opioids during pregnancy, nearly tripled from 1999 to 2013, according to a report in the Centers for Disease Control and Prevention’s (CDC’s) August 12 Morbidity and Mortality Weekly Report. Among 28 states with publicly available data in the Healthcare Cost and Utilization Project (HCUP), the overall incidence of NAS rose from 1.5 per 1,000 hospital births in 1999 to 6.0 per 1,000 hospital births in 2013. The authors reported substantial variation in NAS incidence and trends by state, with incidences in 2013 ranging from a low of 0.7 per 1,00 births in Hawaii to a high of 33.4 per 1,000 births in West Virginia. “The findings underscore the importance of state-based public health programs to prevent unnecessary opioid use and to treat substance use disorders during pregnancy, as well as decrease the incidence of NAS,” the authors said.

20. MARIJUANA USE AND RISK PERCEPTION PATTERNS VARY WITHIN AND ACROSS STATES, SAMHSA REPORTS. Rates of marijuana use and perceptions of risks of harm associated with marijuana use vary significantly among regions of the country and even within states, according to a report from the Substance Abuse and Mental Health Services Administration (SAMHSA). After analyzing data collected by the National Survey on Drug Use and Health from 2012 to 2014, researchers found that “20.3 million people age 12 or older used marijuana in the past month, or approximately 1 in 13 people over the age of 12.” The study also found that “approximately 74.9 million people aged 12 or older ‘perceived great risk of harm’ from using marijuana once a month, or approximately 2 out of every 7 people above the age of 12.” Findings in this report, said the authors, “suggest that there is a significant negative relationship between marijuana use and perceived great risk of use at the substate level across the United States.” This information “can help public health officials and others better gauge the marijuana-related prevention and treatment needs in their communities and fine-tune their programs and services to best address them,” said Fran Harding, director of SAMHSA’s Center for Substance Abuse Prevention.

21. EDITION 7.1 OF DESIGN GUIDE FOR THE BUILT ENVIRONMENT OF BEHAVIORAL HEALTH FACILITIES IS ONLINE. The Facility Guidelines Institute (FGI) has posted Edition 7.1 of the Design Guide for the Built Environment of Behavioral Health Facilities on its website. The Design Guide is co-authored by James M. Hunt, AIA, NCARB, president of Behavioral Health Facility Consulting, and David M. Sine, ARM, CSP, CPHRM, president of SafetyLogic Systems. Go online and scroll down to the red button to download the document. (You will be asked to enter your name to access the publication.)