

## **Assessing Medicare's payments for services provided in inpatient psychiatric facilities**

**ISSUE:** In 2005, CMS implemented a prospective payment system (PPS) for inpatient psychiatric facility (IPF) services that may have altered the incentives faced by providers and thus may have affected patterns of care, including the types of cases admitted to IPFs, services furnished, lengths of stay, and overall quality of care.

**KEY POINTS:** Examining the IPF PPS—including changes in beneficiaries' use of IPF services and post-IPF services, such as readmissions and emergency department (ED) use—could help identify any weaknesses in Medicare's payment system for IPF care that need to be addressed.

**ACTION:** Commissioners will discuss potential directions for this work.

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