



# **Hospital IQR Program Phase 2 APU Reconsideration Process**

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# Purpose

The purpose of today's presentation is to provide information regarding the CMS Hospital IQR Program annual payment update (APU) reconsideration process.

CMS is currently making APU decisions that will affect a hospital's Medicare reimbursement between **October 1, 2026, and September 30, 2027**. This time frame is known as fiscal year (FY) 2027.

# Objectives

By the end of today's presentation, participants will be able to:

- Understand the Hospital IQR Program requirements and the APU reconsideration process.
- File an APU Reconsideration Request with CMS.

# Acronyms and Abbreviations

<b>APU</b>	Annual Payment Update	<b>NHSN</b>	National Healthcare Safety Network
<b>CMS</b>	Centers for Medicare & Medicaid Services	<b>PC</b>	Perinatal Care
<b>DACA</b>	Data Accuracy and Completeness Acknowledgement	<b>PDF</b>	Portable Document Format
<b>eCQM</b>	electronic clinical quality measures	<b>PRRB</b>	Provider Reimbursement Review Board
<b>FY</b>	fiscal year	<b>Q</b>	quarter
<b>HCAHPS</b>	Hospital Consumer Assessment of Healthcare Providers and Systems	<b>SEP</b>	sepsis
<b>HCP</b>	Healthcare Personnel	<b>UFM</b>	Unified File Management
<b>HQR</b>	Hospital Quality Reporting	<b>VBP</b>	Value-Based Purchasing
<b>IQR</b>	Inpatient Quality Reporting		

# Hospital IQR Program Payment Decisions

CMS notifies hospitals subject to Hospital IQR Program payment reductions under the IPPS in two phases.

Phase 1 - March	Phase 2 - May
Population and Sampling Q1–3 of calendar year	Population and Sampling Q4 of calendar year
Sepsis (SEP-1) Q1–3 of calendar year	Sepsis Q4 of calendar year
Influenza Vaccination Coverage Among HCP reported via NHSN Q4 of calendar year and Q1 of calendar year	Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Q1 – Q4 of calendar year
Validation, if selected	eCQMs: Submit Safe Use of Opioids – Concurrent Prescribing, PC-02, PC-07, and three self-selected measures for the calendar year for all quarters (Q1, 2, 3, and 4)
	Maternal Morbidity, Age Friendly Hospital, and Patient Safety Structural Measures for the Calendar Year*
	All other requirements

# Phase 2

## Program Requirements

- Submit aggregate Population and Sample size counts for Quarter 4 by the submission deadline.
- Submit clinical process of care measure data for Quarter 4 by the submission deadline.
- Submit Maternal Morbidity, Age Friendly Hospital, and Patient Safety Structural Measures data for calendar year 2025 by the submission deadline.

# Phase 2

## Program Requirements cont'd

- Submit Hospital Consumer Assessment of Healthcare Providers and Systems (HCAHPS) Survey data for Q1 through Q4 2025.
- Submit the Safe Use of Opioids – Concurrent Prescribing, PC-02, and PC-07 eCQMs, and three self-selected available eCQMs from the measure set for all quarters in 2025 (Quarters 1, 2, 3 and 4) by March 2, 2026.
- Complete the DACA.
- Complete a Notice of Participation.
- Register with the *HQR Secure Portal* and identify a Security Official.

# Phase 2 Notification

CMS sent APU determination notification letters on May 29, 2026, to hospitals not meeting one or more of Phase 2 requirements:

- APU reconsideration requests for Phase 2 decisions are due to CMS within **30** days from the date the hospital received the notification letter.
- For hospitals that file a Phase 2 APU reconsideration request the CMS decision letters are expected to be sent in **July 2026**.

# APU Reconsideration Process

## QualityNet Location

The overview for the Hospital IQR Program APU reconsideration process and the APU Reconsideration Request Form are available on the [APU Reconsideration](https://qualitynet.cms.gov/inpatient/iqr/apu#tab2) page on *QualityNet*:  
<https://qualitynet.cms.gov/inpatient/iqr/apu#tab2>

# QualityNet

## Hospital Inpatient Location

From the QualityNet home page, select **Hospitals - Inpatient**.

Welcome to QualityNet!  
Your one-stop shop for CMS Quality Programs.

Subscribe to Email Updates

Log into QualityNet Secure Portal

I am looking for quality information associated with

Hospitals - Inpatient

Hospitals - Outpatient

Then, select Learn More under **Hospital Inpatient Quality Reporting (IQR) Program** for the About the Hospital IQR Program page.

Hospital Inpatient Overview

Through its hospital quality improvement initiatives, the Centers for Medicare & Medicaid Services strives to improve the care provided by the nation's hospitals and publicly display quality information to consumers and others.

Read more

Hospital Inpatient

Hospital Inpatient Quality Reporting (IQR) Program

Learn more

Hospital Value-Based Purchasing (HVPB) Program

Learn more

# QualityNet APU Reconsideration Process Location

Access the Hospital IQR Program APU reconsideration information on QualityNet by selecting the **APU** link from the upper task bar.



This will direct you to the *APU Recipients* page. Select **APU Reconsideration**.



# Reason for APU Reconsideration Request

- Provide the CMS-identified reason your facility did not meet the APU requirements.
- For those requirements that were not met, state the specific reason(s) for believing your facility did meet the quality reporting program requirement(s) and should receive the full APU.
- Fill out the APU Reconsideration Request Form **completely** and **accurately**; all fields with an (\*) are mandatory.
- Include any additional information or documentation by attaching a PDF file with the request form.

# Submitting APU Reconsideration Request

- Submit the request form using one method listed below:
  - Unified File Management (UFM)\* Secure Mail function
    - Uncheck the “Require Registered Users” box in the Options section.
  - Secure fax: (877) 789-4443
  - Email: [QRFormsSubmission@hsag.com](mailto:QRFormsSubmission@hsag.com)
- Direct questions about the reconsideration process to Inpatient and Outpatient Healthcare Quality Systems Development and Program Support at [InpatientSupport@hsag.com](mailto:InpatientSupport@hsag.com) or (844) 472-4477
- Direct questions about a reconsideration request you have already submitted to [Reconsideration@cms.hhs.org](mailto:Reconsideration@cms.hhs.org).

\* Formerly known as Managed File Transfer

# Filing a Provider Reimbursement Review Board (PRRB) Appeal

When a hospital is dissatisfied with the result of the CMS APU reconsideration, the hospital may file an appeal with the PRRB.

- The appeal may be filed **only** after the hospital has submitted a request for reconsideration and then received an adverse decision on the request.
- A hospital may file an appeal up to 180 days following the Hospital IQR Program reconsideration determination notification date.
- Details about the PRRB appeal process can be found on the CMS website: [www.cms.gov/Regulations-and-Guidance/Review-Boards/PRRBReview/index.html?redirect=/PRRBReview](http://www.cms.gov/Regulations-and-Guidance/Review-Boards/PRRBReview/index.html?redirect=/PRRBReview)

# Questions

The image shows a Zoom meeting interface. The main content is a PowerPoint slide with the CMS logo at the top, followed by the text "Hospital IQR Program Phase 2 APU Reconsideration Process". Below the slide is a toolbar with several icons: "Record", "React" (highlighted with a red box), "Mic", "Share", "Leave", and "Captions". The "React" button is a white square with a hand icon and an upward arrow. The "Record" button is a circle with a camera icon. The "Mic" button is a square with a microphone icon. The "Share" button is a square with a screen icon. The "Leave" button is a square with a red 'X' icon. The "Captions" button is a square with a speech bubble icon.

# Disclaimer

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