

**Assessing payment adequacy and updating payments:  
Hospital inpatient and outpatient services; and  
Mandated report: Expanding the post-acute care transfer policy  
to hospice**

**ISSUE:** By law, each year the Commission is required to review Medicare payment policies and to make recommendations to the Congress. The Commission asks whether Medicare payments to acute care hospitals are adequate and how they should be updated in 2022.

**KEY POINTS:** We examine several indicators to determine the adequacy of Medicare's hospital payment rates: beneficiaries' access to hospital care (including the supply of hospitals and changes in the volume of inpatient and outpatient services per beneficiaries), the quality of their care, hospitals' access to capital, and how Medicare's payments compare to hospitals' costs. Pursuant to a statutory mandate, we also report our analysis of the effect of expanding the hospital transfer policy to include transfers to hospice.

**ACTION:** Commissioners will review the findings and vote on the draft payment update recommendation.