



## **Hospital Inpatient Quality Reporting (IQR) Program**

### **Inpatient and Outpatient Healthcare Quality Systems Development and Program Support**

#### **Hospital IQR Program Phase 1 APU Reconsideration Process Presentation Transcript**

##### **Speakers**

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## Hospital Inpatient Quality Reporting (IQR) Program **Inpatient and Outpatient Healthcare Quality Systems Development and Program Support**

**Jamie Halloran:** Welcome to the Phase 1 Fiscal Year 2027 APU Reconsideration webinar. My name is Jamie, and I'm the moderator for today's call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session where I will provide further instructions on how to ask a question. Please note the conference is being recorded. Now, I'll turn the call over to Candace Jackson. Candace, the floor is yours.

**Candace Jackson:** Thank you, Jamie. Good afternoon, and welcome to the *Hospital IQR Program Phase 1 APU Reconsideration Process* webinar. My name is Candace Jackson, and I am the Hospital Inpatient Quality Reporting Program Support Contract Program Manager from the Inpatient and Outpatient Health Care Quality Systems Development and Program Support. I will be presenting on today's event. In addition, we also have representatives from CMS and the appeals and validation support contractor on the call with us today. As a note, Jamie stated a transcript of the presentation will be posted to the Quality Reporting Center website, which is [www.QualityReportingCenter.com](http://www.QualityReportingCenter.com), and [QualityNet](#) during the reconsideration period. As Jamie indicated at the conclusion of the webinar, the moderator will provide instructions about how to ask your questions. Now, however, we will only be able to answer questions about the reconsideration process. We will not be able to answer any questions specific to your hospital's situation. For those questions, please contact the national support team for the Hospital IQR Program. Their phone number and email address are provided at the bottom of the APU notification letter your hospital received. Next slide, please.

The purpose of today's presentation is to provide information regarding the annual payment update reconsideration process for fiscal year 2027. CMS is currently making annual payment update decisions that will affect a hospital's Medicare reimbursement between October 1, 2026, and September 30, 2027. This timeframe is known as fiscal year 2027. Next slide, please.

By the end of today's presentation, you will be able to understand the requirements for the Hospital IQR Program and the APU reconsideration process, including how to file a reconsideration request with CMS.

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This slide just includes the acronyms that are used in today's presentation.

Next slide, please.

CMS notifies hospitals that are subject to the Hospital Inpatient Quality Reporting Program payment reductions in two phases. A hospital that fails to meet one or more of the Hospital IQR Program requirements, as specified in the applicable IPPS final rule, is subject to a reduction of one-fourth of its market basket update. Phase 1 occurs in March and includes population and sampling and the clinical process of care measures, which is the SEP-1 measure. In addition, Phase 1 includes the Influenza Vaccination Coverage Among Health Care Personnel measure for Quarter 4 2024 and Quarter 1 2025. It also includes validation if the hospital is selected for validation. Phase 2, which will occur in May, will include population and sampling, again, the clinical process of care measures, SEP-1, and the eCQM data submission requirements. Phase 2 also includes the Maternal Morbidity, Age-Friendly Hospital, and the Patient Safety Structural Measures. Additionally, Phase 2 includes all of the other requirements for the fiscal year. These are the submission of Hospital Consumer Assessment of Healthcare Providers and Systems, also known as HCAHPS Survey data; the Data Accuracy and Completeness Acknowledgement, also known as the DACA; the Notice of Participation, QualityNet registration, and a Registered Security Official. Next slide, please.

Phase 1 of the annual payment update determination is currently in progress. The program requirements for Phase 1 of the APU Reconsideration Process include the submission of the following by the posted submission deadlines: the initial patient population and sample size counts for the substance measure set for Quarter 1 through Quarter 3 of calendar year 2025 by the set submission deadlines and complete data for the clinical process of care measure for Quarter 1 through Quarter 3 of calendar year 2025 by the set submission deadlines.

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In addition, Phase 1 includes the submission of the Influenza Vaccination Coverage Among Health Care Personnel measure data to the National Healthcare Security Network, or NHSN, for Quarter 4 of calendar year 2024, Quarter 1 of calendar year 2025, and passing the validation requirements if selected for validation. Next slide, please.

The Phase 1 APU Determination Notification Letters were mailed on March 12, 2026, via FedEx Priority Overnight Delivery to the hospitals that did not meet one or more of the Phase 1 requirements. As such, hospitals should have received their letters on March 13, 2026. Requests for reconsideration for Phase 1 decisions are due to CMS 30 days from the date of the receipt of the APU Determination Notification Letter. Therefore, if the hospital received the Annual Payment Update Determination Notification Letter on March 13, 2026, at this time they will have until April 13, 2026, to file an APU reconsideration request. Next slide, please.

An overview of the APU reconsideration process and the APU Reconsideration Request Form can be found on the CMS QualityNet website at [www.QualityNet.org](http://www.QualityNet.org) or by the direct link that is provided in the slide. Next slide, please. [Editor's Note: The CMS QualityNet website is [QualityNet.cms.gov](http://QualityNet.cms.gov).]

To access resources related to the APU reconsideration process from the home page of QualityNet, select the Hospitals-Inpatient drop-down. From the drop-down menu, select the Hospital Inpatient Quality Reporting Program link. Next slide.

To be directed to the Reconsideration Recovery page, select the APU link. To access the reconsideration form and for assistance in completing and/or submitting the APU Reconsideration Request Form, scroll down to the bottom of the page and refer to the following resources: the Reconsideration and Validation Reconsideration Request Forms or the Reconsideration Quick Reference Guide. Next slide, please.

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When completing the Reconsideration Request Form, a hospital must include the reason it failed as provided in the APU Determination Notification Letter and identify the specific reason or reasons for believing it did meet this Hospital IQR Program requirement or requirements and should receive the full APU. Requests should be specific, complete, and include details. Next slide, please.

The completed APU Reconsideration Request Form is submitted via the *Hospital Quality Reporting Secure Portal* Managed File Transfer to [QRFormsSubmission@hsag.com](mailto:QRFormsSubmission@hsag.com). The form may also be submitted via secure fax to 877-789-4443 or by email to [QRFormsSubmission@hsag.com](mailto:QRFormsSubmission@hsag.com). Upon receipt of the reconsideration request, CMS will provide an e-mail acknowledgement to the facility's CEO and QualityNet Security Official that the form has been received. CMS expects the process to take no longer than approximately 90 days from the receipt of the APU Reconsideration Request Form. If you have questions about the reconsideration process, please contact Inpatient and Outpatient Healthcare Systems Development and Program Support at [InpatientSupport@hsag.com](mailto:InpatientSupport@hsag.com) or call toll free at 844-472-4477. If you have questions about a reconsideration request you have already submitted, please contact the reconsideration team at the email address listed on the slide. Next slide, please.

For those that failed the validation requirement, the quarters used to determine the validation confidence interval to determine the passing or failing of validation for fiscal year 2026 was Quarter 1 through Quarter 4 of 2024. A hospital that failed to meet the validation requirement due to chart-abstraction validation may submit the Validation Review for Reconsideration Request Form. This form is in addition to filling an APU request for the reconsideration form, so you will have to do both, as explained in the previous slide. This Validation Review for Reconsideration Request Form is found on QualityNet and should be filled out completely and accurately according to the instructions on the form. Requests should be specific, complete, and include details.

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Additionally, hospitals that need to submit a revised medical record may still do so, but any hospitals that would just be resubmitting a copy that was previously sent to the Clinical Data Abstraction Center, or the CDAC, contractor are not required to do so. CMS limits the scope of data validation reconsideration reviews to information already submitted by the hospital during the initial validation process. CMS will not abstract medical records that were not submitted to the CMS contractor during the initial validation process. CMS will expand the scope of our review only if we find during the review that the hospital correctly and timely submitted the requested medical records. The completed Validation Review for Reconsideration Request Form and any applicable medical records can be submitted via the Managed File Transfer Validation Support Contractor group. The form and any applicable medical records must be received by the validation support contractor within 30 days following the receipt of the Hospital IQR Program annual payment update notification letter. Upon receipt of this Validation Review for Reconsideration Request, CMS will provide an email acknowledgement to the hospital contact name listed on the form to confirm receipt. CMS expects the process to take no longer than approximately 90 days from the receipt of this Validation Review for Reconsideration Request. Next slide, please.

When a hospital's reconsideration request is related to eCQM validation, complete and submit the Reconsideration Request Form by the deadline. No other form, such as the Validation Review for Reconsideration Request or submission of the medical record, is required. Next slide, please.

When a hospital is dissatisfied with the result of CMS's reconsideration, the hospital may file an appeal with the Provider Reimbursement Review Board. An appeal can be filed with the PRRB only after the hospital has submitted a request for reconsideration and received an adverse decision on the request. Hospitals can submit the PRRB appeals up to 180 days following the IQR reconsideration determination notification date. Next slide, please.

At this time, we do have some time that we will be able to address your questions.

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Remember that we will be able to answer questions only about the reconsideration process. We will not be able to answer any questions specific to your hospital's situation. Our moderator Jamie will now provide information about how to submit your question. Jamie?

**Jamie Halloran:** Thank you, Candace. We'll begin the question-and-answer session. If you have a question, please press the raised-hand feature as indicated by the image on this slide. Note the icon may appear on either side of your screen. If you wish to be removed from the queue, just please press the same hand icon again to be lowered. We'll give a few moments for our first question to come in.

OK. It looks like our first question comes from Crystal Pathrose. Crystal, go ahead with your question, and you may need to unmute yourself as well. OK. We'll move to the next. Our next question comes from Kim Keating. Kim, go ahead with your question, and you may need to unmute yourself.

**Kim Keating:** Good afternoon. I'm wondering. Are there any resources accessible to us that might give us ideas on what types of reason that reconsideration would be considered?

**Candace Jackson:** This is Candace. At this time, no, there is no criteria or a listing of reasons. You just need to make sure you're specific with what you submit and add details. CMS looks at each one individually to determine if the reason is significant or would be able to overturn the APU reconsideration.

**Kim Keating:** Thank you.

**Jamie Halloran:** Thank you. We'll just give a few more moments for another question to come in. Again, just press that raised-hand feature, and we will take your question. It looks like our next question is coming from Elizabeth Ternes-Ruiz. Go ahead with your question, and you may need to unmute yourself.

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**Elizabeth**

**Ternes-Ruiz:** Hi, Good morning. Yes. I was wondering if we're going to redo the actual audit and then resubmit. Is that kind of what this is supposed to be for, if we just realize we didn't do it correctly in the first place?

**Candace Jackson:** This is Candace. Is it specific to validation, or is it specific to one of the other requirements?

**Elizabeth**

**Ternes-Ruiz:** Validation.

**Alex Feilmeir:** This is Alex, the validation support contractor. At this time in the process, the validation steps have all been completed, and all the data validation deadlines have passed. There is not an opportunity to resubmit data or redo the validation effort. At this point, your hospital is given the opportunity to provide a form that explains the rationale as to why you believe either the validation efforts were incorrect and you believe your hospital was correct in the way that they reported, or even if you have determined that, you know what, we were incorrect, it was our mistake, at least provide a rationale as to why you believe CMS should reconsider the determination. So, to answer your question, no, there's no re-audit happening. This is just your opportunity to ask. You know what I'm saying.

**Elizabeth**

**Ternes-Ruiz:** Thank you so much.

**Jamie Halloran:** Thank you. Our next question is coming from Alison Sable. Alison, go ahead with your question.

**Allison Sable:** Hello. My question is similar to the last one. It was about if you had to reconsider for validation. If an institution did not submit on time, with a May 15 deadline, and the data was not submitted, will CMS allow you to submit the data now to get credit? Can you explain why you thought it was submitted and then identified that it actually wasn't? You know, it was your mistake.

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**Alex Feilmeir:** Go ahead. I didn't know if they were specific to validation or program reporting as a whole.

**Allison Sable:** It's for program reporting, like NHSN data, not turned in by May 15, turned in after that once we recognized it. Does that make sense? I won't say we because it's not about institutions, you know, in general.

**Mary Ann Jones:** This is Mary Ann Jones. I can say that facilities do not have the option to submit data post the submission deadline. So, the purpose of the reconsideration process is to provide CMS with information that will help them understand why a facility may or may not have submitted their data or met the requirement and why they feel there should be an exception made to overturn that decision. Does that answer your question?

**Allison Sable:** Yes, that does. Thank you.

**Jamie Halloran:** Thank you. We're still waiting on another question to come in. So, just again, a reminder to find the raised-hand feature that's shown on the image on the screen.

It appears that there are no further questions at this time. Again, if you'd like to get your question in, please let us know. Otherwise, I will pass it back to Candace to end the webinar.

**Candace Jackson:** Thank you, Jamie. As we have no further questions, we again thank you for joining us today. We hope you enjoy the rest of your day. Thank you.