



Hospital IQR Program Phase 1 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

APU	Annual Payment Update	IQR	Inpatient Quality Reporting
CMS	Centers for Medicare & Medicaid Services	NHSN	National Healthcare Safety Network
eCQMs	Electronic Clinical Quality Measure	PDF	Portable Document Format
FY	fiscal year	PRRB	Provider Reimbursement Review Board
HCAHPS	Hospital Consumer Assessment of Healthcare Providers and Systems	Q	quarter
HCP	Healthcare Personnel	SEP	sepsis

Hospital IQR Program Payment Decisions

CMS notifies hospitals subject to Hospital IQR Program payment reductions under the Inpatient Prospective Payment System 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	SEP-1 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, Cesarean Birth, and Severe Obstetrics Complications and three self-selected measures for the calendar year for all four quarters (Q1, Q2, Q3, and Q4)
	Maternal Morbidity, Age Friendly Hospital, and Patient Safety Structural Measures Calendar Year
	All other requirements

Phase 1

Program Requirements

- Submit aggregate Population and Sample size counts for Quarter 1 through 3 by the submission deadlines.
- Submit clinical process of care measure data for Quarters 1 through 3 by the submission deadline.
- Submit HCP-Influenza Vaccination measure data for Quarter 4 2024 and Quarter 1 2025 by May 15, 2025.
- Pass validation requirements, if selected.

Phase 1 Notification

CMS sent APU determination notification letters on March 12, 2026, to hospitals not meeting one or more of Phase 1 requirements:

- APU reconsideration requests for Phase 1 decisions are due to CMS **30** days from the date of receipt of the notification letter.
- Hospitals filing an APU reconsideration request based on the March 2026 Phase 1 notification letters will be mailed the CMS decision in **May 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](#) web page of 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 Quality Reporting (IQR) Program

Learn more

Hospital Value-Based Purchasing (HVBP) 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 each requirement that was 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 an APU Reconsideration Request

- Submit the request form using one method listed below:
 - *Hospital Quality Reporting Secure Portal*
Unified File Management/Managed File Transfer
 - Secure fax: (877) 789-4443
 - Email: QRFormsSubmission@hsag.com
- Direct questions about the reconsideration process to the Inpatient and Outpatient Healthcare Quality Systems Development and Program Support at InpatientSupport@hsag.com or (844) 472-4477
- Direct questions about a reconsideration request you have already submitted to Reconsideration@cms.hhs.org.

APU Reconsideration Request: Chart-Abstracted Validation

If your facility did not meet the validation requirement, due to chart-abstracted validation, and would like to request a validation reconsideration, a Validation Review for Reconsideration Request Form must be completed **in addition** to the APU Reconsideration Request Form.

- Fill out the Validation Review for Reconsideration Request Form **completely** and **accurately**; all fields with an asterisk (*) are mandatory.
- Submit the Validation Review for Reconsideration Request Form and any applicable medical record(s), according to the instructions on the form, via the *Hospital Quality Reporting Secure Portal* to the Managed File Transfer Validation Contractor group.
 - 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 form and any applicable medical records must be received by the Validation Support Contractor, within 30 days following the date of receipt of the APU notification letter.

APU Reconsideration Request: eCQM Validation

If your facility did not meet the eCQM validation requirement and would like to request a validation reconsideration:

- Complete and submit the Reconsideration Request Form by the deadline.

No other form or submission of medical records is required.

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

Questions



**Hospital IQR Program
Phase 1
APU Reconsideration Process**



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