Alliance for Site Neutral Payment Reform Praises Proposed OPPS Rule

Advocacy group calls proposed rule step in the right direction, asks for more changes to advance payment parity across sites of service.

Washington, DC, October 03, 2018 --(PR.com)-- The Alliance for Site Neutral Payment Reform submitted comments to the Centers for Medicare & Medicaid Services (CMS) on how to more effectively establish site neutral payment reform by modifying the Calendar Year (CY) 2019 Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) proposed rule (CMS-1695-P).

The Alliance commended CMS for expanding site neutral payment policy through the rule, which was originally published on July 31, 2018 in the Federal Register. CMS is proposing to institute the PFS-equivalent rate for clinic visit services performed at excepted off-campus PBDs to control unnecessary volume increases in the outpatient setting for these services. This policy builds upon existing site neutral payments already implemented by CMS to ensure all newly-built and newly-acquired off-campus provider-based departments (PBDs) are reimbursed at the same rates as independent physician offices for performing the exact same services. CMS is also proposing to reimburse new clinical families of services at excepted off-campus PBDs at the PFS-equivalent rate.

“The Alliance fully supports CMS’ proposals to implement site neutral payments for outpatient clinic visits and services in new clinical families of services furnished at all off-campus PBDs and encourages CMS to continue to explore opportunities to implement site neutral payments for all clinically appropriate outpatient services,” the letter states.

The Alliance praised CMS for correctly recognizing that the majority of off-campus PBDs continue to receive the full OPPS payment. CMS notes that payment disparities between freestanding physician offices (covered by the Physician Fee Schedule) and certain off-campus PBDs (which are covered by the Outpatient Prospective Payment System) lead to unnecessarily inflated Medicare spending. When it comes to E&M services, Medicare pays $51 more for a basic visit at an HOPD compared to an independent doctor's office, leading to an additional $1.6 billion paid by the program and $400 million in out-of-pocket costs paid by beneficiaries in 2015 alone, according to MedPAC.

To further enhance site neutral payments and increase transparency, the Alliance urged CMS to examine opportunities to equalize payment rates when it comes to other services such as chemotherapy administration, imaging procedures, and certain cardiology, orthopedic, and gastroenterology services. Moreover, in order to address an overly-complex and complicated system that requires patients to navigate multiple payment systems, the Alliance encouraged CMS to take further regulatory action to increase transparency by applying site neutral payment to all clinically appropriate off-campus PBD services.

Legislative and regulatory actions in recent years have advanced site neutral policies to the benefit of patients and the Medicare program. The Bipartisan Budget Act of 2015 established a site neutral payment policy (Section 603) for all newly built or acquired provider based off-campus hospital outpatient
departments (HOPD). Since that time, the Alliance has been advocating for policies to expand site neutral payment policies across outpatient settings.

The full text of the letter can be read here.

About the Alliance for Site Neutral Payment Reform
The Alliance for Site Neutral Payment Reform is a coalition of patient advocates, providers, payers and employers who support payment parity across site of service in order to decrease Medicare and commercial spending, ensure patients receive the right care in the right setting, lower taxpayer and beneficiary costs and increase patient access. Our growing membership represents healthcare providers, patient and consumer groups, insurers and others who believe patients - and the healthcare system - would be better served by policies that are fiscally wise and preserve and enhance care options. Learn more at siteneutral.org.
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