Summary of Updates to the CMS FY 2015 Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC)

CMS has released its final rule updating the Medicare outpatient prospective payment system (OPPS) and ambulatory surgical center (ASC) rates and policies for fiscal year (FY) 2015.

The following are highlights of the rule. Please contact us for more information if needed.

Outpatient Prospective Payment System (OPPS) Update

The hospital outpatient department (OPD) fee schedule increase factor is 2.2% overall. This rate is calculated on the released OPPS increase of 2.9% minus multifactor productivity adjustment of 0.5%, as well as the ACA adjustment of 0.2%. CMS is continuing to implement a 2% reduction in payments for hospitals failing to meet outpatient quality reporting requirements.

The Cancer Hospital Payment Adjustment will continue to provide additional payments to specialty cancer hospitals to insure the payment to cost ratio (PCR) is equal to the weighted average PCR for other hospitals. Additionally, the payment for drugs and biologicals will continue to be average sales price plus 6%.

Packaging Policies

CMS is conditionally packaging certain services that have been deemed ancillary, supportive, dependent or adjunctive to a primary service. The initial services targeted for inclusion in this APC are those with a geometric mean cost of $100 or less. Services determined to be preventative will be excluded from packaging in accordance with the provisions set forth in the ACA.

CMS is implementing Comprehensive APCs (C-APCs) by establishing 25 C-APCs for CY 2015 including all formulary dependent APCs remaining after restructuring and consolidation. Two additional procedures that represent single-session services with multiple components or are largely device dependent have newly established C-APCs. These procedures include single-session cranial stereotactic radio surgery and intraocular telescope implantation.

Ambulatory Surgical Center Payment Update

The ambulatory surgical center (ASC) fee schedule increase factor is 1.4%. This was calculated on the released CPI-U increase of 1.9% minus multifactor productivity adjustments of 0.5%.

Hospital Outpatient Quality Reporting (OQR)

CMS is adding one claims-based quality measure for CY 2018 instead of CY 2017. CMS is refining the criteria for “topped-out” status. Specific changes include removing OP-6 and OP-7 due to topped-out status, clarified data submission requirements for OP-27. CMS is delaying data collection for OP-29 and OP-30 and is changing OP-31 to voluntary data collection. CMS will not reduce payments for OP-31 in CY 2016 or during voluntary reporting. There are no significant financial impacts relating to the changes to the OQR program.

ASC Quality Reporting Program (ASCQR)

CMS is adding one new quality measure, ASC-12 for CY 2018 payment determination. CMS will be excluding ASC-11 for CY 2016 payment determination. There are no significant financial impacts relating to the changes to the ASCQR program.

Blood Products

CMS will continue to establish payment rates for blood and blood products using blood-specific CCR methodology.

Brachytherapy Sources

CMS is finalizing the proposal to set the payment rates for brachytherapy sources using the established prospective payment methodology, which is based on geometric mean costs.

Prosthetic Supplies

CMS currently pays under OPPS for implantable DME, implantable prosthetics, and medical and surgical supplies. Prosthetic supplies are currently excluded from payment under the OPPS and are paid under the DMEPOS Fee Schedule, even when provided in the HOPD. CMS will reclassify implanted prosthetic supplies as medical and surgical supplies and include payment under the HOPD.

Newly Granted CPT Codes

CMS will begin, with the CY 2016 OPPS update, to publish the proposed APC and status indicator assignments for any new and revised CPT codes for January 1, 2016 that are publicly released by the AMA in time for CMS to consider them for inclusion in the OPPS/ASC proposed rule. Additionally, new and revised CPT codes that are not publicly available in time for the OPPS/ASC proposed rule will receive a HCPCS G code that will mirror the predecessor CPT codes and retain the current APC and status indicator assignments for a year until CMS can include the proposed status indicator and APC assignments in the following year's proposed rule.

Skin Substitutes

CMS is finalizing the proposal to maintain the high cost/low cost APC structure for skin substitute procedures in CY 2015, as well as the proposal to revise the current methodology used to establish the high/low cost threshold with the alternative Measures Under Consideration (MUC) methodology. CMS is also finalizing the policy that skin substitutes with pass-through payment status would be assigned to the high cost category. Skin substitutes with pricing information but without claims data to calculate an MUC will be assigned to either the high cost or low cost category based on the product's ASP+6% payment rate. If ASP is not available, CMS will use WAC+6% or 95% of AWP to assign a product to either the high cost or low cost category.

CMS is also finalizing the proposal that any new skin substitutes without pricing information will be assigned to the low cost category until pricing information is available to compare to the CY 2015 threshold. Manufacturers must submit pricing information to CMS no later than the 15th of the third month prior to the effective date of the next OPPS quarterly update.

APC Changes

CMS responded to public comment on proposed changes in the following APCs:

- Cardiovascular and Vascular Services: Cardiac Telemetry (APC 0213)
- Gastrointestinal (GI) Services: Upper GI Procedures (APCs 0142, 0361, 0419, and 0422)
- Gynecologic Procedures (APCs 0188, 0189, 0192, 0193, and 0202)
- Cystourethroscopy, Transprostatic Implant Procedures, and Other Genitourinary Procedures (APCs 0160, 0161, 0162, 0163, and 1564)
- Level IV Anal/Rectal Procedures (APC 0150)
- Chemodenervation (APC 0206)
- Epidural Lysis (APCs 0203 and 0207)
- Transcranial Magnetic Stimulation (TMS) Therapy (APC 0218)
- Ocular Services: Ophthalmic Procedures and Services
- Echocardiography Services Without Contrast (APCs 0269, 0270, and 0697)
- Optical Coherence Tomography (OCT) Procedures of the Breast
- Parathyroid Planar Imaging (APCs 0263, 0317, 0406, and 0414)
- Proton Beam Therapy and Magnetoencephalography (MEG) Services (APCs 0065, 0412, 0446, 0664, and 0667)
- Stereotactic Radiosurgery Services (SRS) and Magnetic Resonance Image Guided Focused Ultrasound (MRgFUS) (APC 0066)
- Respiratory Services: Level II Endoscopy Lower Airway (APC 0415)
- Epidermal Autograft (APC 0327)
- Image-Guided Breast Biopsy Procedures and Image-Guided Abscess Drainage Procedures (APCs 0005 and 0007)
- Negative Pressure Wound Therapy (NPWT) (APCs 0012, 0013, 0015 and 0016)
- Platelet Rich Plasma (PRP) (APC 0327)