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Tomorrow's Doctors, Tomorrow's Cures

CY 2014 OPPS Proposed Rule Data & Member Feedback Discussion

Learn
Serve
Lead

Lori Mihalich-Levin, JD
(lmlevin@aamc.org; 202-828-0599)
Merle Haberman, MHA
(mhaberman@aamc.org; 202-741-6458)
Jane Eilbacher
(jeilbacher@aamc.org; 202-828-0896)

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Association of
American Medical Colleges

OPPS Proposed Rule

- Published in *Federal Register* on July 19, 2013, at page 43534.
- Available at: http://www.gpo.gov/fdsys/pkg/FR-2013-07-19/pdf/2013-16555.pdf
- **Comments due Friday, Sept. 6 at 5pm**

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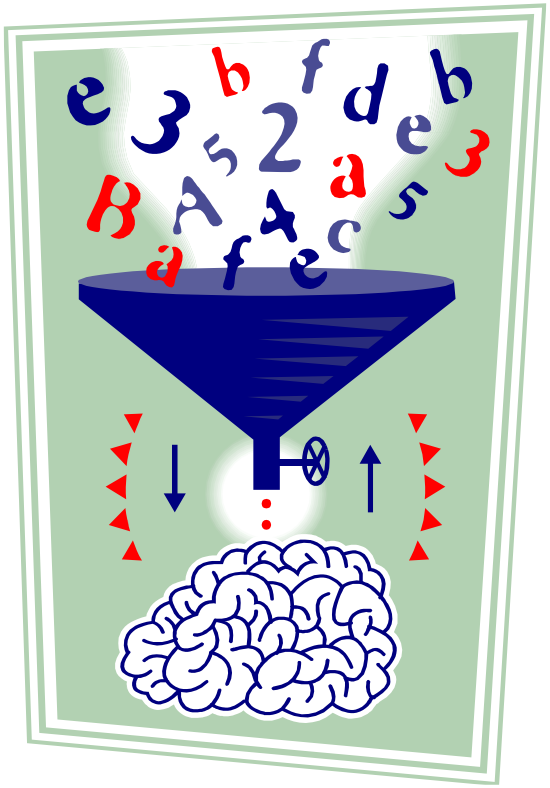
Comment Letter Themes

- Data Errors
- Impossibility of teasing apart impacts of various proposals
- Recommend waiting and re-proposing in future years
- Administrative Procedure Act concerns

Data Discussion

Attempt at Comic Relief



Brain before release of OPPS regulations

What's left after trying to understand it all

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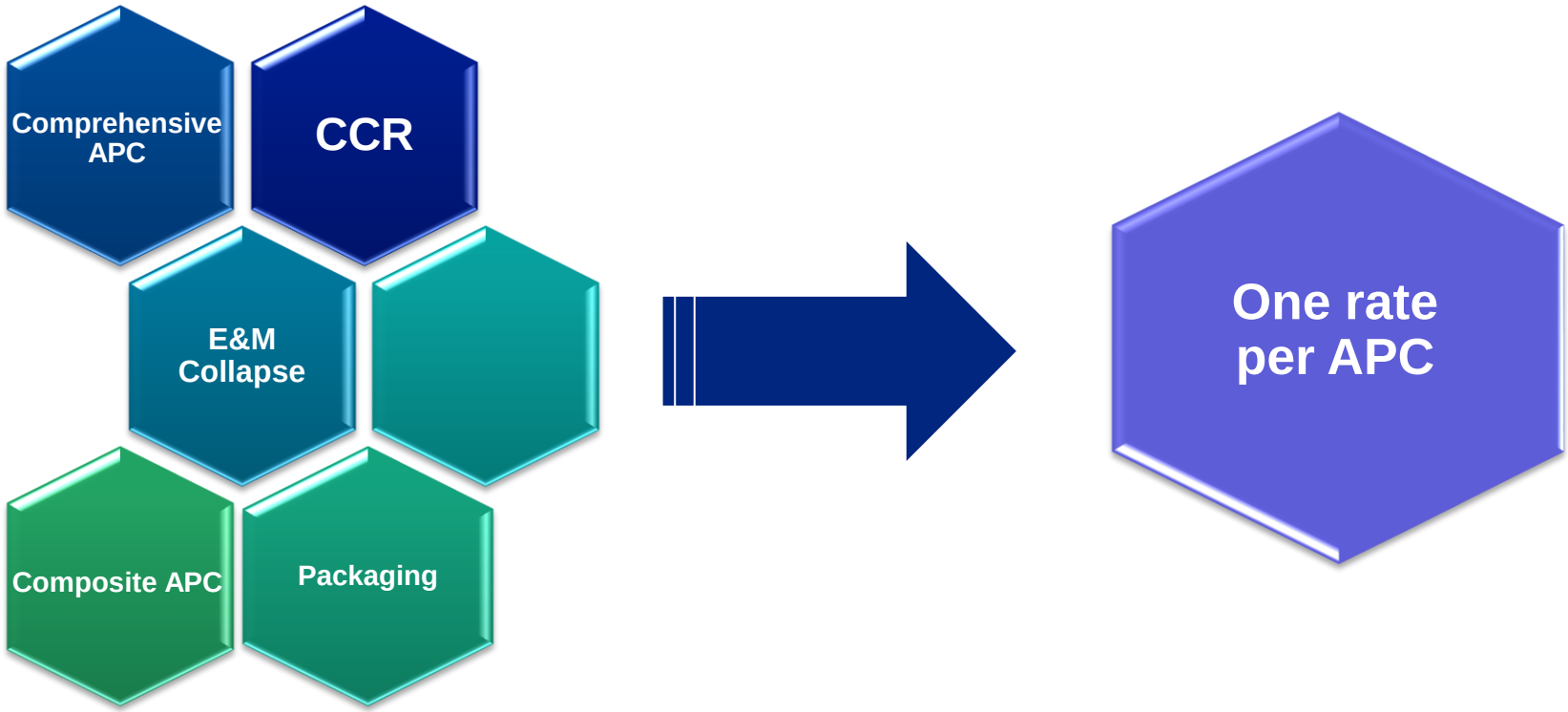
Many Interacting Proposals with Planned Simultaneous Implementation



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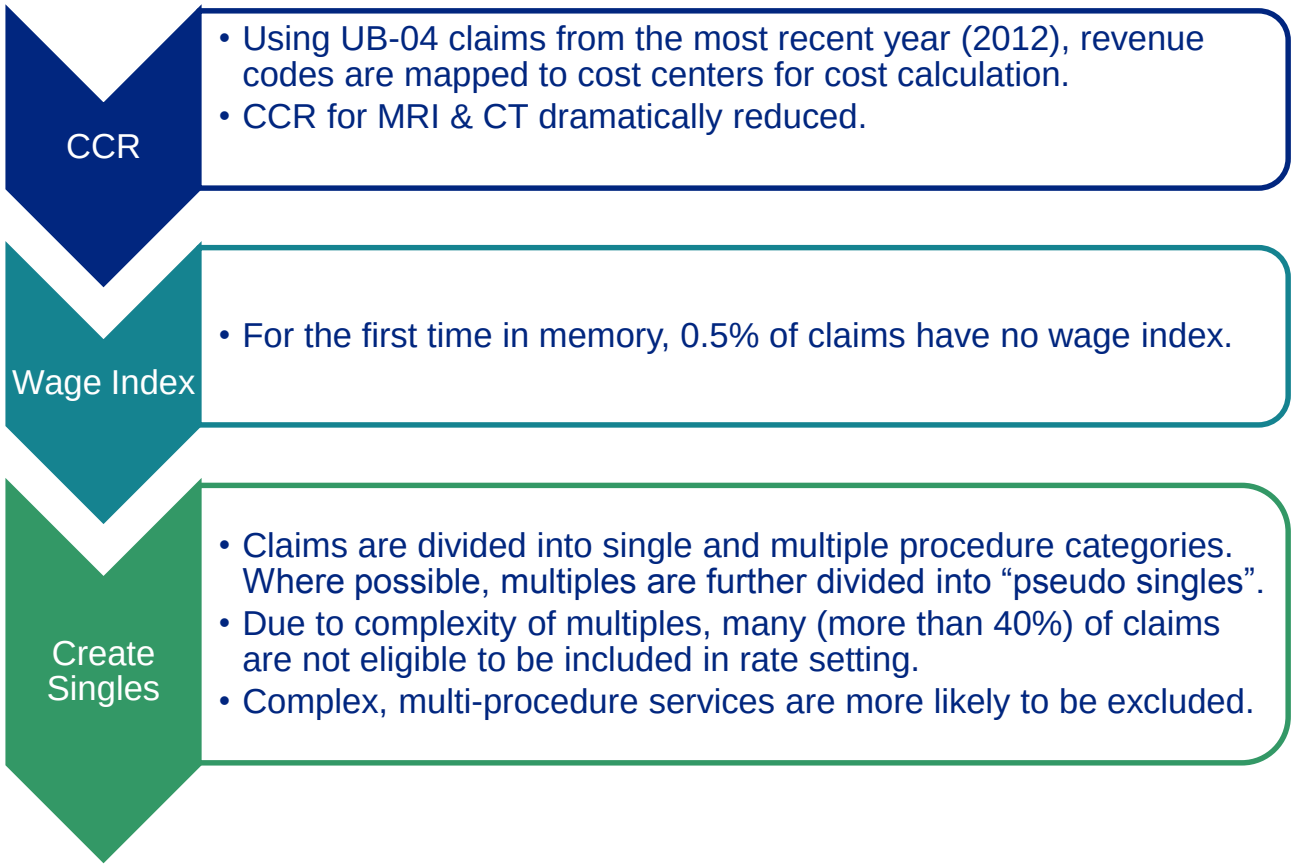
Steps in Rate Setting: How Proposals & Identified Errors Impact Rate Setting*



*Not all steps are presented in the order in which they occur as order is not always discernable from proposed rule.

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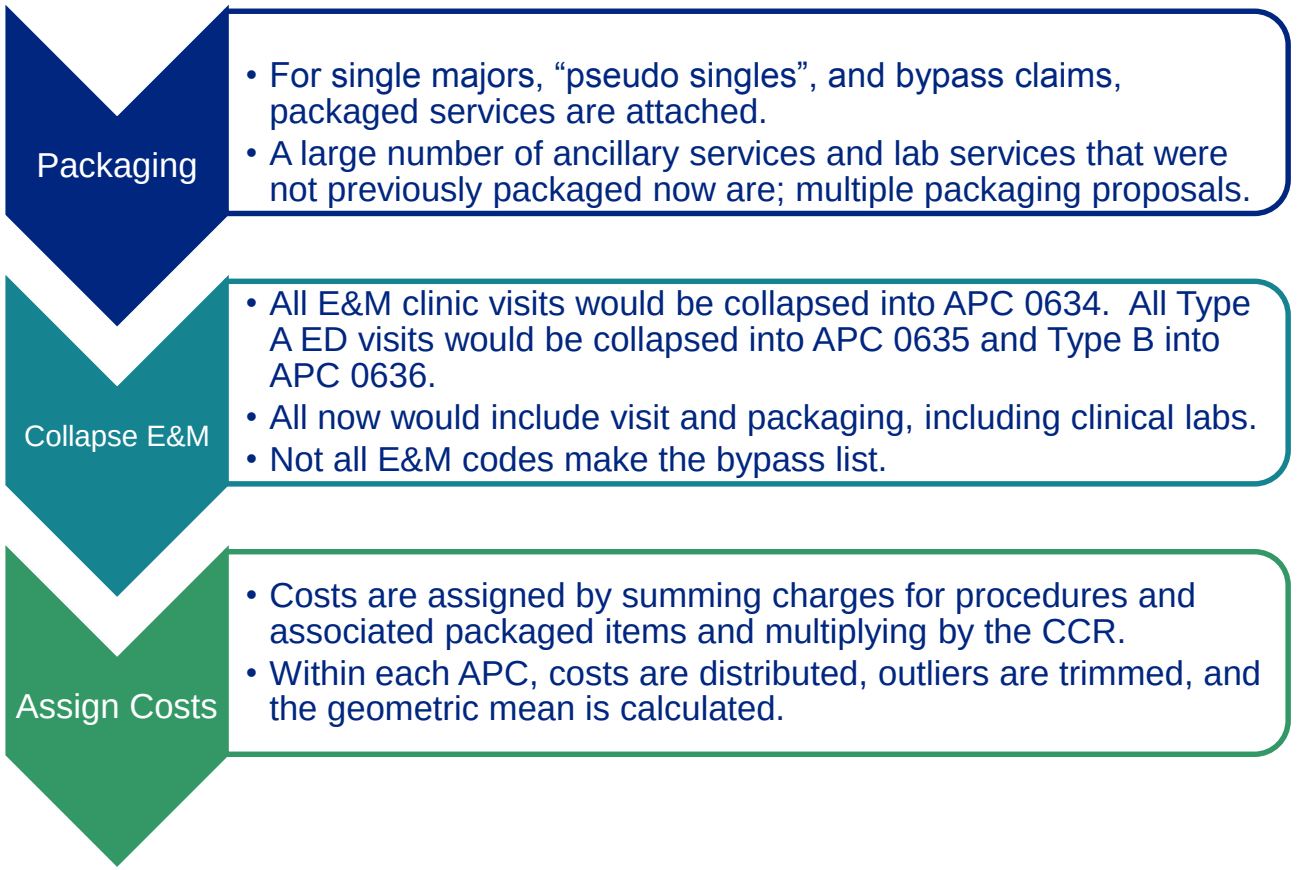
Steps in Rate Setting: How Proposals & Identified Errors Impact Rate Setting



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Steps in Rate Setting: How Proposals & Identified Errors Impact Rate Setting

Determine Weight

- The geometric mean cost for each APC is then divided by the geometric mean cost for APC 0634 (collapsed E&M).
- We are unable to replicate the cost for APC 0634 and differ from CMS by more than 10%.

Price

- The weights by APC are then calibrated to the budget neutral spending target.
- The finalized weight is multiplied by the proposed conversion factor ($72.728) to arrive at payment.

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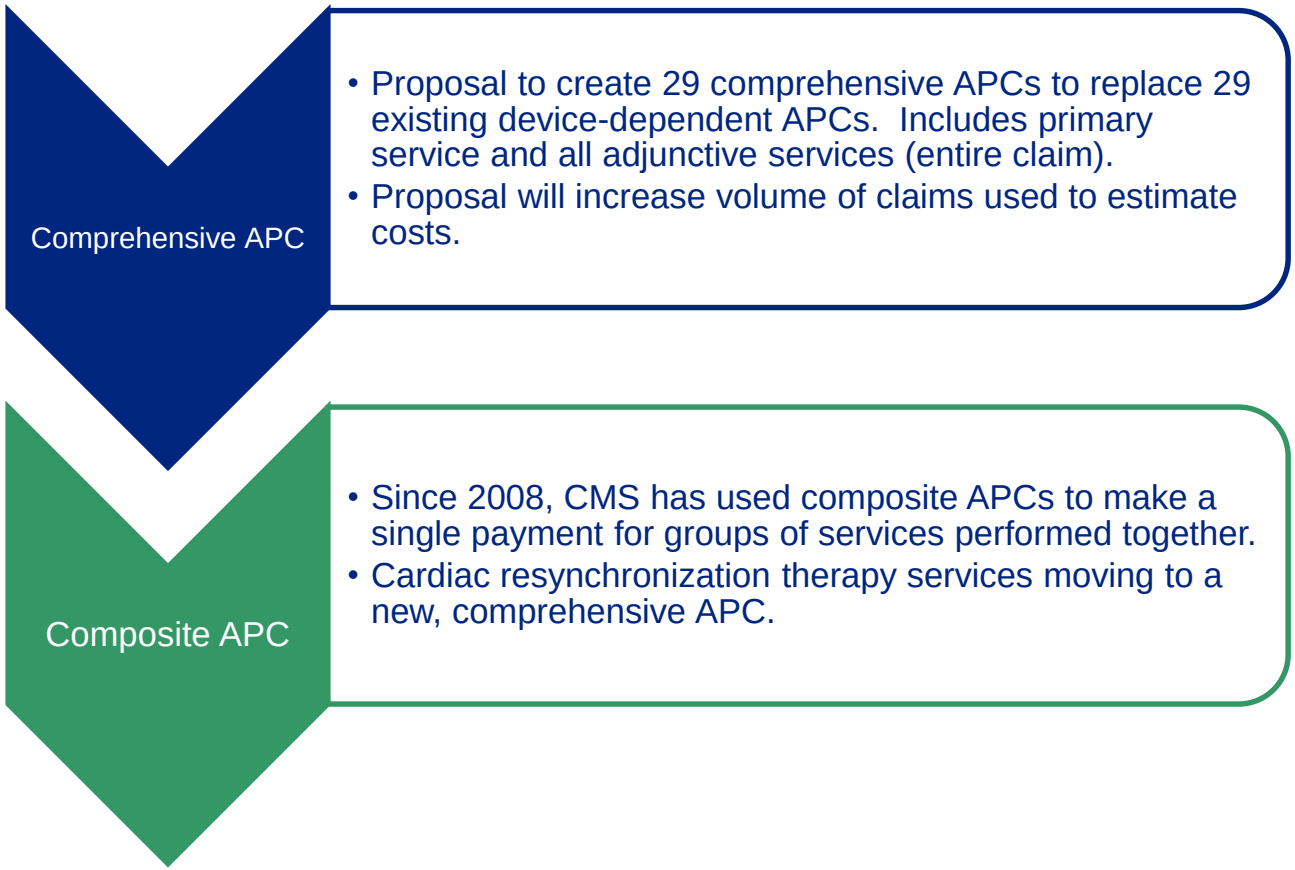
Steps in Rate Setting: How Proposals & Identified Errors Impact Rate Setting



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Practical Examples

Type A ED Visit Codes with Packaging & Costs (APC 0635: Weight = 2.9274, Payment Rate = $212.90)

HCPCS	Single Claims* (n)	Claims w/Packaging (n)	% with Packaging	Average Packaging Cost
99281	269,444	69,612	25.8%	$15.22
99282	849,892	373,368	43.9%	$30.17
99283	2,601,017	1,892,004	72.7%	$74.34
99284	1,863,203	1,631,595	87.6%	$151.48
99285	1,039,350	976,417	96.9%	$342.18

*ED singles and “pseudo singles” from Moran replication to identify whether these codes have packaging codes.

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Practical Examples

Type A ED Visit Codes "Singles vs. Totals" Used in Rate Setting by HCPCS

HCPCS	Single Frequency	% of All Singles	Total Frequency	% of All Total	% Used in Rate Setting
99281	267,680	4.0%	310,887	2.4%	86.1%
99282	848,900	12.5%	1,144,129	8.7%	74.2%
99283	2,615,562	38.6%	4,145,332	31.4%	63.1%
99284	1,949,746	28.8%	4,639,087	35.2%	42.0%
99285	1,091,688	16.1%	2,951,145	22.4%	37.0%
TOTAL	6,773,576	100.0%	13,190,580	100.0%	51.4%

Data Source: CMS Rate Setting tables provided with proposed rule.

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Practical Examples

Type A ED Visit Codes: Proportion of Claims with ED Visit as Only Major Procedure on Claim

HCPCS	Claims* (n)	Claims w/ED as Only Major Procedure (n)	% with ED as Only Major Procedure
99281	310,433	236,649	76.2%
99282	1,142,881	630,007	55.1%
99283	4,140,210	1,177,833	28.4%
99284	4,633,873	336,063	7.3%
99285	1,947,243	113,519	4.0%

*Moran used claims before rate setting to identify whether there are no other major procedures in the same claim.

Summary

- Very difficult to peel out the impact of each new proposed policy; too much interaction.
- Attempts to recreate CMS methodology further confounded by likely errors in support materials provided by CMS.
- OPPS has always been biased by dropped claims, but new collapsing policy adversely effects institutions with a preponderance of high intensity services.

And Now Think Zen Thoughts

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Follow Up from Member Survey

Questions Posed to Members Through Reimbursement List

- Information collection on off-campus provider-based departments
  - Members split on preferring claims-based vs. cost report-based data collection
- Policy premise of collapsing E/M codes
  - Members split, but majority opposed concept
- Reporting of no cost / full credit and partial credit devices
  - Members expressed various concerns with overall policy

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