



Tomorrow's Doctors, Tomorrow's Cures

CY 2011 Medicare Outpatient Prospective Payment System (OPPS) Proposed Rule

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Lead

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July 21, 2010



Association of
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OPPS Quality Reporting Program

Three year plan for reporting

- All three years not necessarily finalized in this rulemaking

Similar to inpatient program

Baseline for VBP

Three Year Plan for Hospital Outpatient Quality Reporting

CY 2012

- 4 claims-based imaging efficiency measures (similar to current imaging measures)
- 1 structural measure (ability to receive lab data)
- 1 ED AMI measure

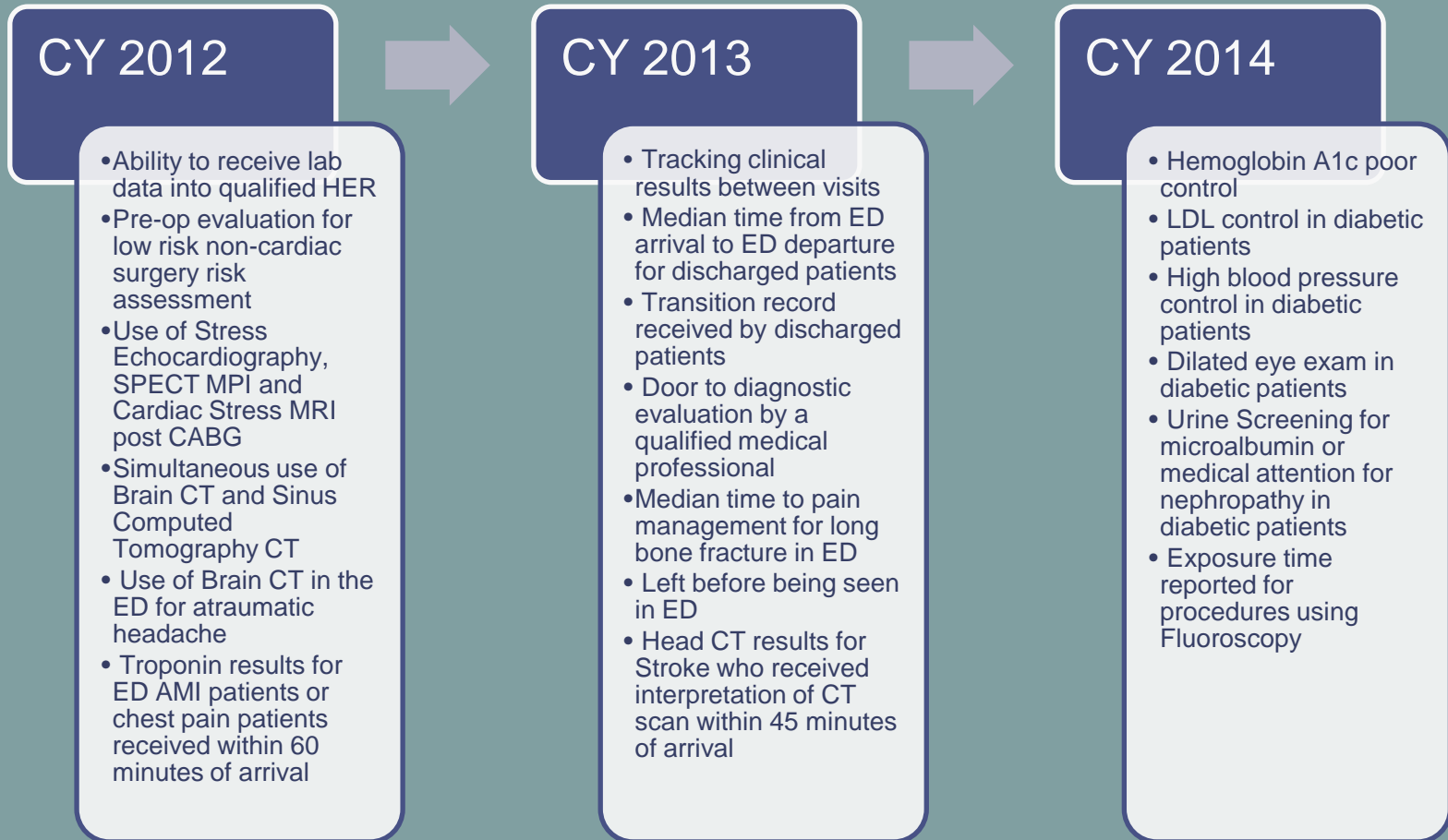
CY 2013

- 1 structural measure (track clinical results)
- 6 chart abstracted ED measures

CY 2014

- 5 chart abstracted measures (Diabetes)
- 1 chart abstracted measure (Radiology – exposure time)

Proposed OPPS Measures CY 2012 – 2014



New Program Requirement

Submission of aggregate population and sample size counts

- Quarterly basis
- Medicare and non-Medicare encounters
- Deadline same as those for reporting quality data
- Used to determine completeness

New Validation Process for CY 2012

Randomly select 800 hospitals

Validate 12 cases per quarter/ 48 per year

Validation at measure level not data element level

April 1, 2010 to March 31, 2011 services

Must attain 75% on validation score to be eligible
for payment

Ambulatory Surgery Center Quality Reporting

ASC quality reporting included in Tax Relief and Health Care Act (TRHCA)

Continue to defer implementation of program until future rulemaking (CY2012)

Subset of potential measures under consideration

- Patient falls, patient burn, wrong site surgery, surgical site infection, hospital transfer, medication reconciliation

CY 2011 OPPS Conversion Factor Update

Hospitals that submit quality performance data:

- Update = IPPS Market Basket Increase (2.4%) – 0.25% points required by the ACA = 2.15%

Hospitals that do not submit quality performance data:

- Update = Update for hospitals that submit quality data – 2.0% points = 0.15%

Payment rate for Separately Payable Drugs and Biologicals

CY 2011 packaging threshold = \$70 (up from \$65 in 2010)

Proposed payment rate = Average sales price (ASP) + 6% (up from ASP + 4% in CY 2010)

However, this rate may change as more updated data become available.

CMS uses the same methodology as it employed in CY 2010 to calculate the payment rate for these products

The Agency stresses the need to bill all drugs and biologicals with HCPCS codes – regardless of whether they are separately payable or packaged – under revenue code 0636 (Pharmacy – Extension of 025X; Drugs Requiring Detail Coding).

Expansion of Multiple Procedure Reduction under the Medicare Physician Fee Schedule (MPFS) to Therapy Services

Outpatient physical therapy and outpatient occupational therapy are paid under the physician fee schedule (MPFS)

In the MPFS proposed rule for CY 2011, CMS proposes a 50% multiple procedure payment reduction for these services

Comments on this proposal should be submitted in response to the MPFS proposed rule for CY 2011

Payments for Partial Hospitalization Services (PHP)

For CY 2011, CMS is proposing four separate PHP APCs, two for hospital-based PHPs and two for CMHCs

New payment rates will reflect the different cost structures of the two types of providers

Since CY 2009, payment for the two types of providers was based on the same two APCs whose payment rates were based on hospital only data

ACA Requirements for the CY 2010 Wage Index

Revisions for CY 2010 as required by the Affordable Care Act (ACA)

- Extension through Sept. 30, 2010 of reclassifications under section 508 of the MMA and the assignment of certain special exception wage indices
- CMS to recalculate wage indices for certain areas to exclude the wage data of section 508 and special exception hospitals
- For the IPPS, this recalculation results in revised wage indices beginning on April 1
- For the OPSS, it results in revised wage indices beginning on July 1, 2010

ACA Requirement to Establish Wage Index Floor for Frontier States

The ACA also requires that CMS establish a wage index floor of 1.0 for IPPS and OPPS payments to hospitals in frontier states

These states are: Montana, Nevada, North Dakota, South Dakota and Wyoming