

# **AAMC's Medicare Outpatient Prospective Payment System (OPPS) Rule Impact Report**

Learn Serve Lead

#### **Overview**

Association of American Medical Colleges



#### What are AAMC's Medicare OPPS Rule Impact Reports?

#### **Purpose**

The AAMC's Medicare OPPS Rule Impact Reports estimate the impact of Medicare's OPPS Proposed and Final Rules on your hospital, including any major proposed/finalized Medicare policy changes related to other legislative or regulatory actions. The reports also allow you to:

- Estimate budget impacts for the upcoming year based on new payment rates
- Unpack overall impacts into individual payment factors
- Compare your payment impact to national, state, and AAMC-member hospital benchmarks
- Examine the impact of specific policy changes

#### **Eligibility and Access**

Any individuals at an AAMC-member teaching hospital paid under OPPS are eligible to receive the report. If you would like to receive this report, please email <a href="mailto:COTH@aamc.org">COTH@aamc.org</a> with your name, title, institution, email address, and mailing address.

#### **Timing**

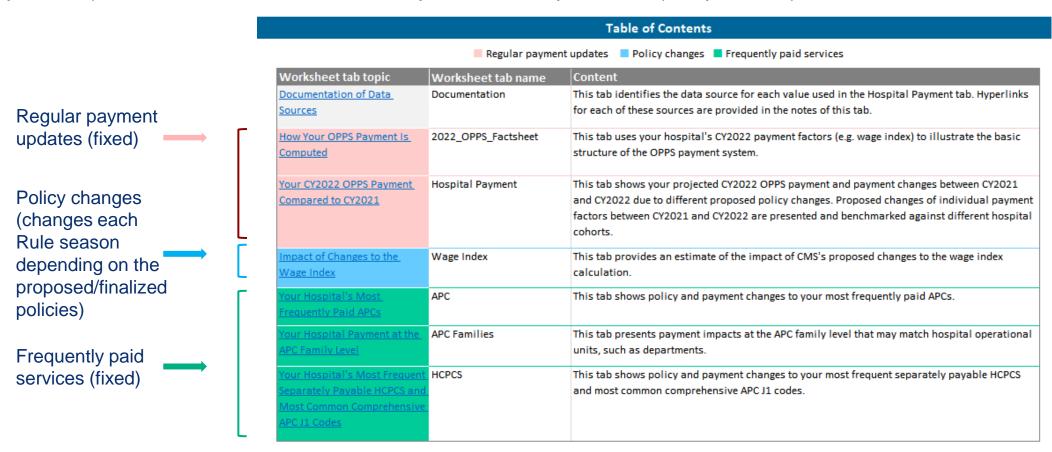
The AAMC generates a hospital-specific OPPS Impact Report following the OPPS Proposed Rule and following the Final Rule corresponding to each calendar year.

The following slides walk you through each section (tab) of the hospital-specific impact report (excel file).



## Introduction to your Impact Report: File Layout tab

The first tab of the report helps you navigate the report through a color-coded table of contents linking to each section, including a description of each tab, a dictionary of the acronyms used in the report (not pictured) and contact information for report-related questions (not pictured).



**NOTE:** The pictured table of contents is an example, the blue policy tabs are not fixed and change each rule season. The grey, pink and green tabs are fixed and do not change.



## Introduction to your Impact Report: Documentation

The second tab of the report helps you to trace the sources of each variable used in the report by providing a description of each variable, the external data file from which the variable derives, and the location of the variable in each tab of the report.

This tab also directs you to the location and name of the variable within the external data file and provides links to the CMS impact files and addenda cited in the report.

Tab:	ab: Hospital Payment										
			CY2022		CY2021						
Line	Column	Description	Data Source	Variable	Data Source	Variable					
Α	E, F	Estimated Total OPPS Payment	2022 NPRM Impact File 070920201.xlsx <sup>1</sup>	Estimated 2022 OPPS Payment	2022 NPRM Impact File 070920201.xlsx <sup>1</sup>	Estimated 2021 OPPS Payment					
D	E, F	Conversion Factor	CMS-1753-P		CMS-1736-FC						
G	E, F	Wage Index	2022 NPRM Impact File 070920201.xlsx <sup>1</sup>	Post Reclassification Wage Index	2021 NFRM Impact File 11302020.xlsx <sup>2</sup>	Post Reclassification Wage Index					
J		Outlier Payment	2022 NPRM Impact File 070920201.xlsx <sup>1</sup>	Estimated 2021 Outlier Payment	N/A	N/A					
М		Paid Lines	2022 NPRM Impact File 070920201.xlsx <sup>1</sup>	Provider Lines	N/A	N/A					

Tab: APC									
Columr	Description								
B C D E	Most Frequently Paid APC Paid Counts % of APC Volume % of APC Payment	Estimated by Watson Policy Analysis (WPA) by applying CY2022 payment policies as specified in the CY2022 OPPS Proposed Rule to CY2019 outpatient claim data.							
		CY2022		CY2021					
Columr	Description	Data Source	Variable	Data Source	Variable				
F, G	APC Description	2022 NPRM Addendum A.07092021.xlsx <sup>1</sup>	Group Title	2021 NFRM Addendum A.11302020.xlsx <sup>2</sup>	Group Title				
Н, І	Status Indicator	2022 NPRM Addendum A.07092021.xlsx <sup>1</sup>	SI	2021 NFRM Addendum A.11302020.xlsx <sup>2</sup>	SI				
J, K	APC Payment Rate	2022 NPRM Addendum A.07092021.xlsx <sup>1</sup>	Payment Rate	2021 NFRM Addendum A.11302020.xlsx <sup>2</sup>	Payment Rate				

Tab: APC Families										
Column	Description	Data Source								
E, F	Payment 2022, 2021	Estimated by Watson Policy Analysis (WPA) by applying CY2022/CY2021 payment policies as specified in the CY2022 OPPS Proposed Rule and CY2021 Final Rule to CY2019 outpatient claims data.								

All CY2022 Proposed Rule data can be found at the following webpage:

https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1753-

The link to the CY2021 impact file is titled "2022 OPPS Facility-Specific Impacts"

The link to Addendum A is titled "2022 NPRM OPPS Addenda"

The link to Addendum B is titled "2022 NPRM OPPS Addenda"

All CY2021 Final Rule data can be found at the following webpage

https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1736-fc

The link to the CY2021 impact file is titled "2021 NFRM OPPS Facility-Specific Impacts."

The link to both Addendum A and B is titled "2021 NFRM OPPS Addenda"

3. For a description of comment indicators (CI) for CY2022, please refer to CY2022 NPRM Addendum D2



## Pink Tabs: Regular Payment Updates

The next set of slides outline the pink tabs in the report, which provide an overview of how OPPS payment for individual hospitals are computed.

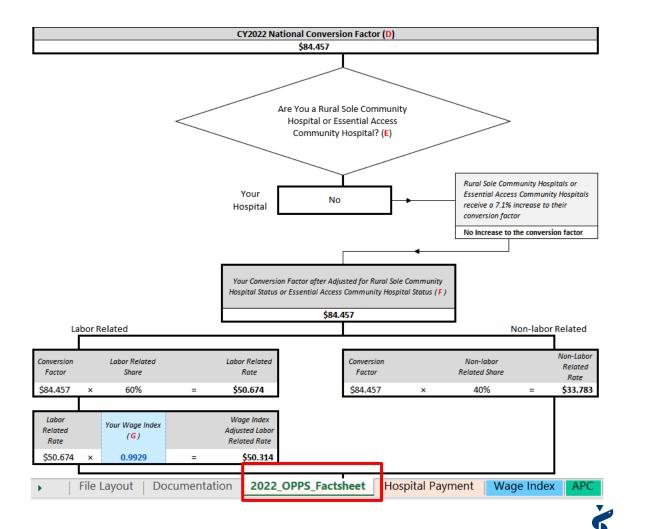
	Table of Contents										
	Regular payment updates Policy changes Frequently paid services										
Worksheet tab topic	Worksheet tab topic Worksheet tab name Content										
<u>Documentation of Data</u> <u>Sources</u>	Documentation	This tab identifies the data source for each value used in the Hospital Payment tab. Hyperlinks for each of these sources are provided in the notes of this tab.									
How Your OPPS Payment Is Computed	2022_OPPS_Factsheet	This tab uses your hospital's CY2022 payment factors (e.g. wage index) to illustrate the basic structure of the OPPS payment system.									
Your CY2022 OPPS Payment Compared to CY2021	Hospital Payment	This tab shows your projected CY2022 OPPS payment and payment changes between CY2021 and CY2022 due to different proposed policy changes. Proposed changes of individual payment factors between CY2021 and CY2022 are presented and benchmarked against different hospital cohorts.									
Impact of Changes to the Wage Index	Wage Index	This tab provides an estimate of the impact of CMS's proposed changes to the wage index calculation.									
Your Hospital's Most Frequently Paid APCs	APC	This tab shows policy and payment changes to your most frequently paid APCs.									
Your Hospital Payment at the APC Family Level	APC Families	This tab presents payment impacts at the APC family level that may match hospital operational units, such as departments.									
Your Hospital's Most Frequent Separately Payable HCPCS and Most Common Comprehensive APC J1 Codes		This tab shows policy and payment changes to your most frequent separately payable HCPCS and most common comprehensive APC J1 codes.									



#### Regular Payment Updates: 2022 OPPS Fact Sheet tab

The first pink tab in the report, the OPPS Fact Sheet tab, shows how your OPPS payment is computed by walking through your hospital-specific payment rates and illustrates how those payment rates are used to compute your total OPPS payment.

The hospital and payment factors illustrated in the Fact Sheet tab are updated with each OPPS release to reflect data published by CMS.



## Regular Payment Updates: Hospital Payment tab

The second pink tab in the report, the Hospital Payment tab, shows year-over-year changes to your OPPS payment based on proposed or finalized payment policies and rates. It builds from the Fact Sheet tab by isolating the total OPPS payment in that tab and breaks it down into the individual factors used to compute the total OPPS payment. It also provides a benchmark comparisons alongside your hospital's impacts.

This example hospital's CY2022 payment is estimated to increase by 3.16% compared to the national increase of 1.84%

A breakdown of the payment factors that drive your OPPS payment

						n <sup>1</sup>					
		Your H			Your Hospital			Teaching Status <sup>2</sup>			
VERALL IN	VERALL IMPACT		CY2021	Percent Change	National	AAMC Member <sup>3</sup>	Major	Minor	Non-teaching	Rhode Island	
Α	Estimated Total OPPS Payment 4	\$29,331,750	\$28,432,774	3.16%	1.84%	1.71%	1.69%	1.81%	1.98%	1.79%	
				Percent		_					
	Conversion Factor (equivalent to payme	nt base rate)		Change							
D	Conversion Factor 5	\$84.457	\$82.797	2.00%				2.00%			
E	Are you a Rural Sole Community hospital or Essential Access Community Hospital?	No	No								
F	Conversion Factor after Adjusting for Rural Sole Community Hospital Status or Essential Access Community Hospital Status	\$84.457	\$82.797	2.00%							
	Wage Index (Labor-related portion of the Conversion Fa	ctor is adjusted for	wage index)	Percent Change	National	AAMC Member	Major	Minor	Non-teaching	Rhode Islan	
G	Wage Index <sup>6</sup>	1.0268	1.0163	1.03%	-0.19%	0.06%	-0.08%	-0.34%	-0.14%	-0.01%	
Н	Labor-related Portion	60%	60%								
I	Wage Index Adjusted Conversion Factor (F*H*G+F*(1-H)) 7	\$85.815	\$83.607	2.64%	1.88%	2.01%	1.93%	1.79%	1.91%	1.97%	
	APC Factor (equivalent to the concept of average case mix)		nix)	Percent Change	National	AAMC Member	Major	Minor	Non-teaching	Rhode Islan	
J	Outlier Payment <sup>8</sup>	\$181	,529								
K	OPPS Payment w/o Outlier (A-J)	\$29,150,221	\$28,251,245	3.18%							
M	Paid Lines/Number of APCs 9	527	,926								
N	APC Factor (K/I/M) 10	0.6434	0.6401	0.53%	0.02%	-0.24%	-0.18%	0.06%	0.11%	-0.15%	



## **Blue Tabs: Policy Changes**

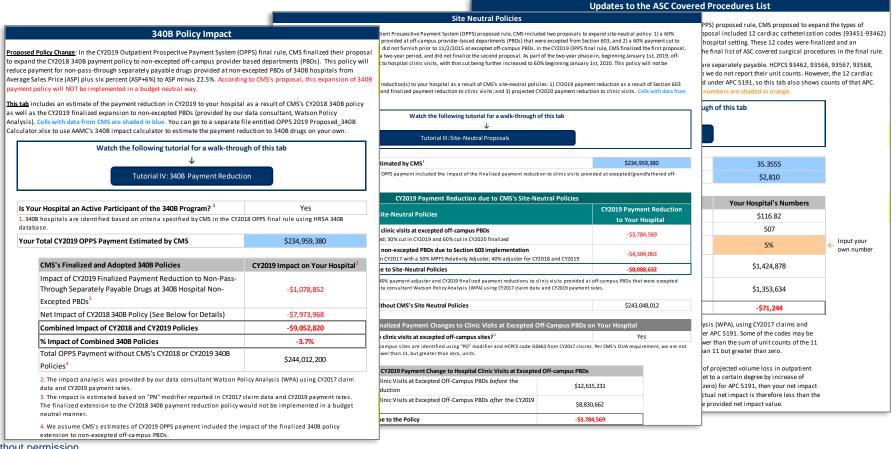
The next slide outlines the blue tabs in the report, which highlight the hospital-specific impacts of proposed or finalized policy changes.

	Table of Contents										
	■ Regular payment updates ■ Policy changes ■ Frequently paid services										
Worksheet tab topic	Worksheet tab name	Content									
<u>Documentation of Data</u> <u>Sources</u>	Documentation	This tab identifies the data source for each value used in the Hospital Payment tab. Hyperlinks for each of these sources are provided in the notes of this tab.									
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Impact of Changes to the Wage Index	Wage Index	This tab provides an estimate of the impact of CMS's proposed changes to the wage index calculation.									
Your Hospital's Most Frequently Paid APCs	APC	This tab shows policy and payment changes to your most frequently paid APCs.									
Your Hospital Payment at the APC Family Level	APC Families	This tab presents payment impacts at the APC family level that may match hospital operational units, such as departments.									
Your Hospital's Most Frequent Separately Payable HCPCS and Most Common Comprehensive APC J1 Codes		This tab shows policy and payment changes to your most frequent separately payable HCPCS and most common comprehensive APC J1 codes.									



#### **Policy Changes: Policy Impacts**

The Policy Changes tabs show how individual policy changes will impact your OPPS payment by isolating the impact of specific major policy changes (proposed or finalized) to your total OPPS payment in the calendar year. Recent examples of policy changes impacting OPPS payment that were included as blue policy tabs in past reports include changes to 340B, Site-Neutral, Wage Index and ASC Covered Procedure list policies





#### **Green Tabs: Frequently Paid Services**

The next set of slides outline the green tabs in the report, which show the impact of proposed or finalized policy and payment changes to your most frequently paid services.

Regular payment updates Policy changes Frequently paid services									
Worksheet tab topic	Worksheet tab name	Content							
Documentation of Data Sources	Documentation	This tab identifies the data source for each value used in the Hospital Payment tab. Hyperlinks for each of these sources are provided in the notes of this tab.							
How Your OPPS Payment Is Computed	2022_OPPS_Factsheet	This tab uses your hospital's CY2022 payment factors (e.g. wage index) to illustrate the basic structure of the OPPS payment system.							
Your CY2022 OPPS Payment Compared to CY2021	Hospital Payment	This tab shows your projected CY2022 OPPS payment and payment changes between CY2021 and CY2022 due to different proposed policy changes. Proposed changes of individual payment factors between CY2021 and CY2022 are presented and benchmarked against different hospital cohorts.							
mpact of Changes to the Wage Index	Wage Index	This tab provides an estimate of the impact of CMS's proposed changes to the wage index calculation.							
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our Hospital Payment at the APC Family Level	APC Families	This tab presents payment impacts at the APC family level that may match hospital operational units, such as departments.							
Your Hospital's Most Frequent Separately Payable HCPCS and Most Common Comprehensive APC J1 Codes	HCPCS	This tab shows policy and payment changes to your most frequent separately payable HCPCS and most common comprehensive APC J1 codes.							



#### **Frequently Paid Services: APCs**

This tab shows the impact of proposed or finalized policy and payment changes to your most frequently paid APCs by isolating the APC payment factor and applying it to your claims data. The tab includes two tables separately illustrating frequently paid non-drug APCs (pictured) and frequently paid drug-

related APCs (not pictured).

	Your Hospital's Most Frequently Paid APCs											
Non-Drug APC and Counts		As % of All Your APC Services		APC Description		Status Indicator		APC Payment Rate		te		
APC	Paid Counts	% of APC Volume	% of APC Payment	CY2022	CY2021	CY2022	CY2021	CY2022	CY2021	% Change		
5012	20,687	11.1%	21.0%	Clinic Visits and Related Services	Clinic Visits and Related Services	V	V	\$121.92	\$118.74	2.7%		
5822	15,309	8.2%	9.8%	Level 2 Health and Behavior Services	Level 2 Health and Behavior Services	s	S	\$76.73	\$74.87	2.5%		
5691	3,187	1.7%	1.1%	Level 1 Drug Administration	Level 1 Drug Administration	s	S	\$41.06	\$40.00	2.7%		
5521	3,088	1.7%	2.0%	Level 1 Imaging without Contrast	Level 1 Imaging without Contrast	s	S	\$83.01	\$80.90	2.6%		
5692	2,121	1.1%	0.9%	Level 2 Drug Administration	Level 2 Drug Administration	s	S	\$63.62	\$61.97	2.7%		
5522	1,958	1.1%	1.8%	Level 2 Imaging without Contrast	Level 2 Imaging without Contrast	s	S	\$111.73	\$108.97	2.5%		
5733	1,894	1.0%	0.7%	Procedures	Level 3 Minor Procedures	S	S	\$57.12	\$55.66	2.6%		
5722	929	0.5%	2.1%	Tests and Related	Tests and Related	S	S	\$271.55	\$264.45	2.7%		
5721	920	0.5%	0.7%	Eevei Tionagnosus Tests and Related	Level To agnostic Tests and Related	S	S	\$143.21	\$139.55	2.6%		
5693	904	0.5%	1.6%	Level 3 Drug	Level 3 Drug Administration	S	S	\$209.93	\$203.50	3.2%		
5694	682	0.4%	1.8%	Level 4 Drug Administration	Level 4 Drug Administration	S	S	\$327.19	\$310.75	5.3%		
5024	597	0.3%	2.6%	Level 4 Type A ED Visits	Level 4 Type A ED Visits	v	V	\$373.33	\$363.74	2.6%		
5022	579	0.3%	0.6%	Level 2 Type A ED Visits	Level 2 Type A ED Visits	v	V	\$134.81	\$131.59	2.4%		
5734	500	0.3%	0.3%	Level 4 Minor Procedures	Level 4 Minor Procedures	S	S	\$115.71	\$111.95	3.4%		



#### Frequently Paid Services: APC Families

This tab presents your estimated total OPPS payment at the APC family level and provides a mapping logic between APCs and APC families which may match hospital operation units like departments.

	Your Hospital's OPPS Payment b	y APC Families		
APC Family	APCs Included	CY2022	CY2021	Percent Change
Advanced Imaging	5523 ~ 5525, 5571 ~ 5573, 5593, 5594, 8004 ~ 8008	\$857,160.52	\$840,356.65	2.09
Airway Endoscopy	5151 ~ 5155	\$2,766.73	\$2,713.91	1.99
Blood	9500 ~ 9536	\$24,038.24	\$23,427.66	2.69
Blood Product Exchange	5241 ~ 5244	\$24,227.99	\$23,764.09	2.09
Brachytherapy	2613 ~ 2699	\$17,853.19	\$17,397.64	2.6
Cardiac/Pulmonary Rehabilitation	5771, 5791	\$34,421.63	\$33,733.92	2.0
Clinical Oncology	5691 ~ 5694	\$777,094.72	\$753,355.20	3.2
Diagnostic tests	5721 ~ 5724, 5731 ~ 5735, 5741 ~ 5743	\$522,110.54	\$511,510.65	2.1
Dialysis	5401	\$0.00	\$0.00	N
Drug	0701 ~ 1490, 1605 ~ 1863, 2731 ~ 2770, 3041, 7000 ~ 7308, 9002 ~ 9497	\$7,411,391.09	\$7,526,515.21	-1.5
Ear, Nose, Throat (ENT)	5161 ~ 5166	\$0.00	\$0.00	N
Gastrointestinal (GI)	5301 ~ 5303, 5311 ~ 5313, 5331, 5341	\$538,730.85	\$528,400.64	2.0
General Surgery	5051 ~ 5055, 5061, 5071 ~ 5073, 5091 ~ 5094, 5361, 5362	\$82,465.91	\$80,860.68	2.0
Gynecology	5411 ~ 5416	\$629.92	\$617.80	2.0
Minor Imaging	5521, 5522, 5591, 5592	\$433,421.88	\$425,182.04	1.9
Musculoskeletal Surgery	5111 ~ 5116, 5101, 5102	\$1,426.37	\$1,398.15	2.0
Nervous System Procedures	5431, 5432, 5441 ~ 5443, 5461~5464, 5471	\$31,076.30	\$30,468.48	2.0



#### **Frequently Paid Services: HCPCS**

This tab shows the proposed or finalized payment changes for your most frequent separately payable HCPCS and most common comprehensive APC J1 codes. It also includes an APC lookup table to help you look up an APC description when entering an APC number. Cells where you can input your own numbers are shaded in orange.

Your Hospital's Most Free	uent Separately Pa	yable HCPCS and Most Common Com	prehensive APC J1 Codes

Please Enter APC Number									
APC Lookup Table		APC Description							
CY2022 APC	5023	Level 3 Type A ED Visits							
CY2021 APC	5024	Level 4 Type A ED Visits							

Most Frequent Separately Payable HCPCS at Your Hospital			Status In	dicator	APC		HCPCS Payment Rate			
HCPCS Code	Description	Count	Policy changes to the code?	CY2022	CY2021	CY2022	CY2021	CY2022	CY2021	% Change
G0463	Hospital outpt clinic visit	20576		J2	J2	5012	5012	\$121.92	\$118.74	2.7%
90853	Group psychotherapy	5243		Q3	Q3	5822	5822	\$76.73	\$74.87	2.5%
71046	X-ray exam chest 2 views	2020		Q3	Q3	5521	5521	\$83.01	\$80.90	2.6%
G0008	Admin influenza virus vac	799		S	S	5691	5691	\$41.06	\$40.00	2.7%
71250	Ct thorax dx c-	645		Q3	Q3	5522	5522	\$111.73	\$108.97	2.5%
96413	Chemo iv infusion 1 hr	605		S	S	5694	5694	\$327.19	\$310.75	5.3%
99282	Emergency dept visit	579		J2	J2	5022	5022	\$134.81	\$131.59	2.4%
99284	Emergency dept visit	555		J2	J2	5024	5024	\$373.33	\$363.74	2.6%
94060	Evaluation of wheezing	534		S	S	5722	5722	\$271.55	\$264.45	2.7%
96375	Tx/pro/dx inj new drug addon	511		S	S	5691	5691	\$41.06	\$40.00	2.7%
96365	Ther/proph/diag iv inf init	508		S	S	5693	5693	\$209.93	\$203.50	3.2%
93306	Tte w/doppler complete	441		S	S	5524	5524	\$495.76	\$482.89	2.7%
99283	Emergency dept visit	414		J2	J2	5023	5023	\$237.53	\$231.60	2.6%
71045	X-ray exam chest 1 view	370		Q3	Q3	5521	5521	\$83.01	\$80.90	2.6%
74177	Ct abd & pelv w/contrast	347		Q3	Q3	5572	5572	\$377.80	\$368.12	2.6%
96374	Ther/proph/diag inj iv push	339		S	S	5693	5693	\$209.93	\$203.50	3.2%
77412	Radiation treatment delivery	299		S	S	5622	5622	\$248.00	\$241.68	2.6%
77080	Dxa bone density axial	298		S	S	5522	5522	\$111.73	\$108.97	2.5%
96366	Ther/proph/diag iv inf addon	293		S	S	5691	5691	\$41.06	\$40.00	2.7%
						<b>7</b>	·	4	4	



Please email COTH@aamc.org if you have any questions about the OPPS impact report.

