



Tomorrow's Doctors, Tomorrow's Cures

CY 2013 Medicare Outpatient Prospective Payment System (OPPS) Proposed Rule

Lori Mihalich-Levin, J.D.
(lmlevin@aamc.org; 202-828-0599)

Jane Eilbacher
(jeilbacher@aamc.org; 202-828-0896)

Scott Wetzel
(swetzel@aamc.org; 202-828-0495)

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Outpatient PPS Proposed Rule

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Comments are due September 4, 2012

Topics for Today's Teleconference

- Conversion Factor Update
- Use of Geometric Mean to Set APC Relative Weights
- Payments to Certain Cancer Hospitals
- Payment Rate for Separately Payable Drugs/Biologicals
- Physician Supervision
- Transitional Care Management
- Payment Adjustment for Certain Radioisotopes
- Inpatient Only Procedures
- Outpatient Status
- New Technology APCs
- Transitional Pass-Through Payments
- Hospital Outpatient Quality Reporting Program
- ASC Quality Reporting Program
- IRF Quality Reporting Program

CY 2013 OPPS Conversion Factor Update

- Use IPPS market basket projected increase = 3.0 percent
 - Less 2 percent if hospital doesn't submit quality data
- Less multi-factor productivity adjustment = 0.8 percent
- Less an additional 0.1 percent
- Aggregate OPPS “update” = 2.1%

Use of Geometric Mean to Set APC Relative Payment Weights

- Relative weight of APC:
 - Measures resource requirements for service
 - Based on median cost of services since start of OPSS
 - Proposal to use geometric mean instead of median
- Why the proposed change?
 - More accurate capturing of variation in costs
 - Improved sensitivity of the “two times” rule
 - Promotes stability of payments by having weights more reflective of costs
 - Consistency with IPPS methodology

Use of Geometric Mean (cont.) – Effect on Teaching Hospitals

Effect of proposal to use geometric mean on payments?

- Budget neutral overall
- But differential impact depending on provider type
- CMS estimates -0.1% impact on major teaching hospitals
- AAMC analysis indicates larger impact on COTH members

Hospital Category	% Change from 2013 Using Median
All	-0.13%
Major Teaching	-0.19%
Other Teaching	-0.16%
Non-Teaching	-0.08%
COTH	-0.20%

Payments to Certain Cancer Hospitals

- ACA requires adjustment for 11 cancer hospitals with outpatient costs higher than those of other hospitals
- Proposed adjustment for cancer hospitals = difference between cancer hospital's payment to cost ratio (PCR) and weighted average PCR of other hospitals
- Proposal?
 - Continue last year's policy of increasing each cancer hospital's PCR to equal PRC of other hospitals (0.91)
- Adjustments made at cost report settlement

Payment Rate for Separately Payable Drugs and Biologicals

CY 2013 packaging threshold = \$80 (up from \$75 in 2012)

Proposed payment rate = Average sales price (ASP) + 6% (up from ASP + 4% in CY 2012)

- Proposal abandons current methodology (involving overhead adjustment and complex calculation)
- Uses statutory default rate of ASP +6%

Physician Supervision

- Proposal to extend non-enforcement of direct supervision policy for outpatient therapeutic services furnished in CAHs and small rural hospitals with <100 beds
- Clarification that physical therapy (PT), speech-language pathology (SLP), and occupational therapy (OT) services are not subject to direct supervision requirements
 - Why? Not paid under OPPS (but rather PFS)

Transitional Care Management

- New HCPCS G-code for care management when beneficiary transitions from hospital, SNF, or CMHC stay to physician care in the community
- See PFS for full details
- CMS recognizes transitional care coordination may be part of services payable under OPPS
 - Would be ancillary/supportive service, so not separately payable
 - Proposed assignment of status indicator “N” (Items / Services Packaged into APC Rates)

Payment Adjustment for Certain Radioisotopes

- Re: technetium-99 (Tc-99m), used for diagnostic imaging, CMS proposes:
 - \$10 per dose payment adjustment when produced in reactors that don't use highly enriched uranium (HEU)
 - Goal? Support Obama administration policy to eliminate domestic reliance on legacy reactors outside of US

Inpatient Only List

- Each year CMS reviews the current list of procedures on the inpatient list to identify any performed frequently in outpatient setting
(complete list of codes to be paid only in the inpatient setting is available in Addendum E)
- Five criteria determine removal from inpatient list
- For CY 2013, CMS proposes removing two procedures from the inpatient list:
 - **CPT 22856 (total disc arthroplasty)**
(assign to APC 0208)
 - **CPT 27447 (total knee arthroplasty)**
(assign to APC 0425)

Outpatient Status: AB Rebilling Demonstration

- Medicare Part A to Part B Rebilling (AB Rebilling) Demonstration (CY 2012-CY 2014)
 - Rebill outside of usual timely filing requirements for services related to denied inpatient short-stay claims
 - Hospitals may receive 90% of allowable payment for all Part B services that would have been medically necessary as an outpatient
- Currently accepting applications to participate in ongoing AB Rebilling Demo

Outpatient Status (cont.)

- Concurrent with monitoring and evaluating AB Rebilling Demo, CMS is seeking comment on potential actions, such as:
 - Clarify current instruction regarding circumstances where Medicare will pay for inpatient stay
 - Establish a point in time when encounter becomes an inpatient stay
 - More specific criteria regarding patient status
 - More specific clinical criteria for admission and payment

New Technology APCs

- CMS proposes to move HCPCS codes G0417-G0419 from New Technology APCs to clinical APC 0661 (Level V Pathology), which has proposed cost of \$160 for CY 2013

TABLE 18—PROPOSED REASSIGNMENT OF PROCEDURES ASSIGNED TO NEW TECHNOLOGY APCs FOR CY 2013

CY 2012 HCPCS Code	CY 2012 Short Descriptor	CY 2012 SI	CY 2012 APC	Proposed CY 2013 SI	Proposed CY 2013 APC
G0417	Sat biopsy prostate 21–40	S	1505	X	0661
G0418	Sat biopsy prostate 41–60	S	1506	X	0661
G0419	Sat biopsy prostate: >60	S	1508	X	0661

Pass-Through Payments for Devices

- Proposed that device pass-through categories C1830, C1840, and C1886 will continue to receive pass-through payments through CY 2013
 - Jan. 1, 2014, these categories will no longer be eligible for pass-through payment
- Pass-through payments for C1749 devices expire Dec. 31, 2012
- CMS is proposing to clarify its new device policy to include that a new device is not similar to predicate devices that once belonged in any existing or previously in effect pass-through device categories

Pass-Through Payments for Drugs and Biologicals

- Proposed to be paid at ASP+6 percent for CY 2013 (equivalent to physician's offices and same as CY 2012)
- Pass-through status will expire for 23 drugs and biologicals on December 31, 2012 (Table 22)
- Continue pass-through status for 21 drugs and biologicals (Table 23)

Hospital Outpatient Quality Reporting Program (HOP QDRP)

Measures for CYs 2015 & 2016

- No new quality measures proposed for the OQR program
- Hospitals will continue to report all measures previously finalized in CY 2012
- Similar to the IQR program, CMS proposes to automatically include new measures for future payment years, unless otherwise noted

MAP Recommendations

- The Measure Applications Partnership (MAP) has recommended seven measures be removed from the OQR program
- While the MAP supports the directions of these measures, it is believed that they need further development before inclusion into the OQR program
- CMS has not proposed that these measures be removed

NQF Measure # and Status	Measure Name/Title
0498 Endorsed (NQF endorsement to be removed)	OP-20: Door to Diagnostic Evaluation by a Qualified Medical Professional
0499 Endorsed (NQF endorsement to be removed)	OP-22: ED-Patient Left Without Being Seen
Not NQF Endorsed	OP-9: Mammography Follow-Up Rates
Not NQF Endorsed	OP-10: Abdomen CT-Use of Contrast Material: For Diagnosis Of Calculi In The Kidneys, Ureter, And/Or Urinary Tract—Excluding Calculi Of The Kidneys, Ureter, And/Or Urinary Tract
Not NQF Endorsed	OP-14: Simultaneous Use of Brain Computed Tomography (CT) and Sinus Computed Tomography (CT)
Not NQF Endorsed	OP-15: Use of Brain Computed Tomography (CT) in the Emergency Department for Atraumatic Headache
Not NQF Endorsed	OP-25: Safe Surgery Checklist

Data Collection Announcements

Data collection and reporting delays for three previously finalized measures:

- **OP-19: Transition Record with Specified Elements** data collection has been suspended.
 - Hospitals must still submit data for this field, although a generic answer may be imputed into the system
- **OP-24: Cardiac Rehabilitation** data collection will be postponed until Jan. 1, 2014 (instead of Jan. 2013)
 - This measure will now be used for CY 2015 Payment Determination
- **OP-15: Use of Brain Computed Tomography** data will not be reported on Hospital Compare in 2012
 - Public reporting will occur in July 2013 at the earliest

Claims Based Measures

- For CY 2015 Payment Determination, CMS proposes to use Medicare FFS claims for services between July 1, 2012 through June 30, 2013
- Currently, CMS uses a 12-month calendar year period
- This change would align the data periods for outpatient and inpatient claims based measures on Hospital Compare

Submission Deadlines Extended for Structural Measures

- CMS has proposed to extend the submission deadline for structural measures an additional 2.5 months for CY 2014 and CY 2015
- As proposed, hospitals would submit data between July 1, 2013 and Nov 1, 2013 (Previous deadline was August 15, 2013) with respect to the time period of Jan 1 to Dec 31, 2012
- Proposed change affects OP-22: ED-Patient Left Without Being Seen
 - Although this is a chart abstracted measure, data is collected via a web tool and therefore it is treated as a structural measure

EHR Incentive Program Electronic Reporting Pilot

- CMS will continue to allow hospitals the option of submitting quality data through the Electronic Reporting Pilot (finalized in the CY 2012 OPPS rule) in order to satisfy Meaningful Use, Stage 2 requirements
- Hospitals will still be able to submit quality data via attestation for CY 2013

Selection of Hospitals for Data Validation

- In the CY 2012 OPPS Final Rule, CMS reduced the number of hospitals randomly selected for data validation from 800 to 450
- This policy will continue in future years
- CMS will also continue a policy to select 50 additional hospitals, based on specific criteria, to ensure data accuracy. Targeting criteria for CY 2014 is based on:
 - A hospital's failure to meet the validation requirement for CY 2012 payment determination; or
 - If a hospital has an outlier value for a measure based on the data it submits

OQR Reconsideration Process Changes

- Previously, the CEO was required to sign off on any hospital pursuing a reconsideration request
- Starting in CY 2014 PD the hospital may instead designate a contact to sign the reconsideration form
- Under the proposed rule, CMS will:
 - Issue an email response acknowledging receipt of the reconsideration request
 - Provide a formal response to the hospital designee with the reconsideration process decision

Ambulatory Surgical Centers Quality Reporting Program (ASCQR)

ASC Measures

- CMS retained previously finalized measures, and did not propose any new measures
- ASCs that fail to meet the reporting requirements of the ASCQR program would receive a 2.0 percentage point reduction in its annual update

Inpatient Rehabilitation Facility Quality Reporting Program (IRF QRP)

Proposed Expansion of Two IRF Measures

- CMS proposes to include NQF's changes to the NHSN CAUTI Outcome Measure (NQF #0138) for FY 2014 Payment Determination, and formally include the new measure for FY 2015 Payment Determination
 - Measure to be expanded beyond the ICU to include IRFs
 - Uses different data calculation method- standardized infection ration (SIR). IRFs would continue to submit CAUTI data to CDC via NHSN

Proposed Expansion of Two IRF Measures, Cont

- In the FY 2012 Final Rule, CMS adopted the measure “Percent of Residents with Pressure Ulcers that are new or worsened (NQF #0678)” for the IRF setting
 - CMS requested that NQF review the measure with an expanded care setting to include IRFs. The NQF review of the request is still in progress
 - If the NQF expands the scope of the care setting, without additional substantive changes, the measure will be used for the IRF QRP

Questions?



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