

Insights

Important Non-340B Changes Finalized in 2018 CMS OPPS Final Rule

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On November 1, 2017, CMS published its 2018 Outpatient Prospective Payment System OPPS Final Rule ("Final Rule").^[1] In addition to numerous changes to the 340B Discount Drug Program, the Final Rule finalizes other important rule changes requiring providers' close consideration. Barring unexpected changes, the following are important Final Rule changes, effective January 1, 2018:

OPPS Payment Increase: CMS finalized a cumulative 1.35% increase to OPPS rates for 2018.

ASC Payment Update: The Final Rule establishes an overall 1.2% increase to ASC payments for 2018.

Supervision of Hospital Outpatient Therapeutic Service at Rural Providers: The Final Rule establishes CMS proposed non-enforcement of direct supervision instruction for outpatient therapeutic services for CAHs and small rural hospitals with 100 or fewer beds for 2018 and 2019. CMS believes this will allow CAHs and small rural hospitals more time to comply with the supervision requirements for outpatient therapeutic services and give all parties time to submit specific services to be evaluated by the Advisory Panel on Hospital Outpatient Payment for recommended change in supervision level.

Hospital outpatient department ("HOPD") Reimbursement Guidance: Per CMS, information regarding reimbursement for services rendered in non-excepted off-campus hospital outpatient departments is provided in the 2018 Medicare Physician Fee Schedule Final Rule ("PFS"). The PFS has set reimbursement for non-excepted off-campus HOPDs at 40% of the OPPS payment, representing a 10% decline from the previous 50% of OPPS payment. Providers must remember that this payment reduction only affects institutional/facility claims, whereas claims for professional services are unaffected. As a reminder, non-excepted HOPDs are off-campus hospital practice locations which submitted claims for services after November 2, 2015. These changes do not affect excepted/grandfathered off-campus provider-based locations (i.e., off-campus locations billing for services prior to November 2, 2015). Providers should anticipate additional changes regarding CMS push for "site neutral" reimbursement at non-excepted HOPDs, as required by Section 603 of the Bipartisan Budget Act of 2015.

Please contact Krieg DeVault's Health Care Practice Group regarding compliance with these or any other Final Rule updates. Questions can be directed to Thomas N. Hutchinson at (317) 238-6254 or thutchinson@kdlegal.com.

[1] <https://s3.amazonaws.com/public-inspection.federalregister.gov/2017-23932.pdf>