

Hospital Outpatient Payments Advisory Panel Recommends Delay in 2014 Packaging Proposal

The Centers for Medicare and Medicaid Services (CMS) proposed packaging seven new categories of supporting items and services in payments for primary services, according to the 2014 proposed rule for hospital outpatient services and ambulatory surgical centers released on July 8th. The proposed payment policy would package more than 2,000 procedures and services and no longer make separate payment unless certain conditions are met. The proposed policy significantly impacts radiation oncology by packaging 22 procedure codes that it considers ancillary services, which includes radiation therapy planning, simulation, medical physics consultation and treatment device codes.

At the August Hospital Outpatient Payments (HOP) Advisory Panel meeting in Baltimore, all stakeholder opposed the 2014 packaging proposal. Multiple presenters, including the Provider Roundtable and medical device trade associations AdvaMed and MDMA, all advised CMS that economic consultants have not been able to replicate the CMS packaging proposal to date and have found serious issues and inconsistencies with the data.

The HOP Advisory Panel recommended that CMS delay implementation of the calendar year 2014 proposal related expanded packaging (includes ancillary services) until the data can be reviewed by the HOP Panel at the Spring 2014 meeting regarding interactions between proposals and potential cumulative impact.

The American Hospital Association, which supports packaging in general, agreed with the HOP Panel recommendation and stated that they had no confidence in the weights and rates provided in the 2014 HOPPS proposed rule.

It is likely that based on the HOP Advisory Panel recommendation and other stakeholder input that the expanded packaging proposal may be delayed at least one year.