

CMS PROPOSES 2.7% PAYMENT BUMP FOR HOSPITAL OUTPATIENT DEPARTMENTS IN 2023

Overall, hospital outpatient departments are expected to see a 2.7% increase in payment under the 2023 Medicare proposed rule. However, that increase doesn't take into account CMS' eventual handling of the Supreme Court's ruling that the Agency reverse previous cuts to 340B drug payment. CMS stated that they didn't have enough time to include the impact in the proposed rule but anticipates decreasing the conversion factor in the final rule, which will yield decreases to all 2023 proposed outpatient payments.

The American Hospital Association said the 2.7% increase isn't enough in light of inflation and the COVID-19 pandemic. "We are deeply concerned about CMS' proposed payment update of only 2.7%, given the extraordinary inflationary environment and continued labor and supply cost pressures hospitals and health systems face," said Stacey Hughes, executive vice president of AHA, in a statement. "A much higher update is warranted, and we will be closely analyzing CMS' proposed market basket, as well as its proposed productivity offset."

CMS proposes to use certain hospital cost report data from before the COVID-19 public health emergency (PHE), as well as outpatient claims data from 2021, to set payment rates under the hospital outpatient prospective payment system (HOPPS) for 2023, as CMS doesn't want to rely on data from 2020.

CMS did not implement the AAPM recommendation to assign CPT 76145 *Medical physics dose evaluation for radiation exposure that exceeds institutional review threshold, including report* to a higher paying ambulatory payment classification (APC). The AAPM plans to appeal to the CMS Advisory Panel of Hospital Outpatient Payment and make a recommendation at their annual meeting later this month.

CMS proposes to change the status indicator for CPT 55874 *Transperineal placement of biodegradable material, peri-prostatic, single or multiple injection(s), including image guidance, when performed* to "J1" and designate this procedure as a comprehensive APC (C-APC). CMS defines a C-APC as the provision of a primary service and all adjunctive services provided to support the delivery of the primary service. Under this policy, CMS calculates a single C-APC payment for the entire hospital stay, defined by a single claim, regardless of the date of service span.

In addition, CMS proposes a new complexity adjustment when CPT 55874 is on the same outpatient claim as CPT 55875 *Transperineal placement of needles or catheters into prostate for interstitial radioelement application, with or without cystoscopy*, which will result in a higher payment than the current 2022 methodology.

The agency is also concerned with possible bias among algorithms in software providers use, including clinical decision support software, clinical risk modeling, and computer aided detection. CMS asks for feedback on "how we could encourage software developers to prevent or mitigate the possibility of bias in new applications of this technology," as well as a specific payment approach for these services, as their use becomes more widespread.

For more information, go to www.aapm.org/government_affairs/CMS/2023HealthPolicyUpdate.asp to see a complete summary of the 2023 HOPPS proposed rule.