Members of the House Ways and Means Committee recently introduced three bills to begin reforming Medicare’s hospital payment system:

- **H.R. 3288, Strengthening DSH and Medicare Through Subsidy Recapture and Payment Reform Act of 2015**
- **H.R. 3291, Medicare Crosswalk Hospital Code Development Act of 2015**
- **H.R. 3292, Medicare IME Pool Act of 2015**

Of note is H.R. 3291, *Medicare Crosswalk Hospital Code Development Act of 2015*. H.R. 3291 would begin the process for Medicare to provide site-neutral payments for certain surgeries performed in the inpatient and outpatient settings. In June 2015, the Medicare Payment and Advisory Commission (MedPAC) estimated Medicare paid approximately $4,240 more for an inpatient stay than for a comparable outpatient surgery, which it noted can incentivize hospitals to admit beneficiaries to inpatient care. The bill would crosswalk the Healthcare Common Procedure Classification System (HCPCS) and the Medicare Severity Diagnosis Related Groups (MS-DRGs) to serve as a guide connecting the inpatient and outpatient coding and payment systems for hospitals. Once the crosswalk is developed, the next step would be payment reform where Medicare would pay hospitals a comparable rate for certain surgeries regardless of where the patient was admitted.