

TRUMP'S 2020 BUDGET PUSHES SITE NEUTRALITY

President Donald Trump's fiscal 2020 budget includes a wide-ranging collection of Medicare proposals that the administration says would add eight years to the solvency of the Medicare Trust Fund, including reducing bad debt and uncompensated care payments to hospitals, moving closer to site-neutral payments among providers and creating a primary care pay bump by cutting reimbursement for other physician services.

Site-neutral payments: "[T]he Budget proposes realigning incentives through site neutral payment reform to ensure accurate payments across different healthcare provider types are based on patient characteristics rather than site of care," the overall budget says.

One proposal, set for 2020, would make site-neutral payments between on-campus hospital outpatient departments and physician offices for "certain services such as clinic visits, eliminating the disparity between what Medicare pays in these settings for the same services." That proposal would save \$131.4 billion over 10 years, according to the budget.

The final 2019 hospital outpatient rule set a new payment rate for off-campus hospital outpatient clinic visits that is equivalent to what Medicare pays under the Physician Fee Schedule. CMS was sued over the policy; the lawsuit is ongoing.

The budget-in-brief also contains a proposal to pay all off-campus hospital outpatient facilities under the Medicare Physician Fee Schedule in 2020 for services also performed in a doctor's office -- including emergency departments, cancer hospitals and those exempted from current site neutrality requirements. The Bipartisan Budget Act of 2015 lowered the pay for new hospital off-campus

facilities to the level paid to physicians. However, the law exempted off-campus facilities that were already open and paid the higher hospital rates. A later exemption also applied to hospitals that were mid-build when the Bipartisan Budget Act of 2015 passed. The budget proposes to remove those exemptions.

"This change will promote site neutrality by aligning payments to hospital outpatient departments with payments to physician offices, regardless of hospital ownership or facility type," the budget-in-brief says. It would save \$28.7 billion over 10 years, according to the budget.

Primary care pay bump: The administration says in the budget that a proposal to give primary care providers a pay bump "demonstrates the Administration's commitment to ensuring Medicare beneficiaries have access to timely and appropriate care, by reprioritizing primary care through a budget neutral increase to payments for primary care providers." The HHS budget-in-brief says the Medicare Physician Fee Schedule doesn't adequately pay for primary care relative to specialty care in part because of challenges in reflecting clinician time and resources that go into evaluating and coordinating patient care.

Under the budget proposal, providers eligible to bill for evaluation and management services and that provide primary care to Medicare beneficiaries would receive a risk-adjusted Medicare Priority Care payment starting in fiscal 2021. The payment would be funded by a 5 percent annual cut to all non-E/M services and procedures in the Physician Fee Schedule. ■