

Provider eNews - Special Edition

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CMS Finalizes Hospital OPPS Changes to Better Support Hospitals and Physicians and Improve Patient Care

Home Health Agencies: Final Payment Changes

ESRD PPS: Policies and Payment Rates for End-Stage Renal Disease

CMS Finalizes Hospital OPPS Changes to Better Support Hospitals and Physicians and Improve Patient Care

On November 1, CMS finalized updated payment rates and policy changes in the Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System for CY 2017. CMS is also adding new quality measures to the Hospital Outpatient Quality Reporting Program and the ASC Quality Reporting Program that are focused on improving patient outcomes and experience of care. CMS estimates that the updates in the final rule would increase OPPS payments by 1.7 percent and ASC rates by 1.9 percent in 2017.

Included in the rule:

- Addressing physicians' concerns regarding pain management
- Focusing payments on patients rather than setting
- Improving patient care through technology

For More Information:

- [Final Rule](#)
- [Fact Sheet](#)

See the full text of this excerpted [CMS Press Release](#) (issued November 1).

Home Health Agencies: Final Payment Changes

On October 31, CMS announced final changes to the Medicare Home Health (HH) Prospective Payment System (PPS) for CY 2017. In the final rule (CMS-1648-F), CMS estimates that Medicare payments to home health agencies in CY 2017 would be reduced by 0.7 percent, or \$130 million based on the finalized policies.

Payment policy provisions:

- Rebasing the 60-day episode rate
- Updates to reflect case-mix growth
- Negative Pressure Wound Therapy
- Change in methodology and the fixed-dollar loss ratio used to calculate outlier payments

- Other updates

The final rule also includes:

- Home Health Quality Reporting Program
- Home Health Value-Based Purchasing Model

For More Information:

- [Final Rule](#)
- [HH PPS](#) website
- [HH Value-Based Purchasing Model](#) webpage

See the full text of this excerpted [CMS fact sheet](#) (issued October 31).

ESRD PPS: Policies and Payment Rates for End-Stage Renal Disease

On October 28, CMS issued a final rule (CMS 1651-F) that updates payment policies and rates under the End-Stage Renal Disease (ESRD) Prospective Payment System (PPS) for renal dialysis services furnished to beneficiaries on or after January 1, 2017. This rule also:

- Finalizes new quality measures to improve the quality of care by dialysis facilities treating patients with ESRD
- Implements the Trade Preferences Extension Act of 2015 provisions regarding the coverage and payment of renal dialysis services furnished by ESRD facilities to individuals with acute kidney injury
- Makes changes to the ESRD Quality Incentive Program (QIP), including Payment Years (PYs) 2019 and 2020
- Makes changes to the scoring methodology for the ESRD QIP for PY 2019 and added one new measure
- Addresses issues related to Durable Medical Equipment, Prosthetics, Orthotics, and Supplies (DMEPOS) and the DMEPOS Competitive Bidding Program

The finalized CY 2017 ESRD PPS base rate is \$231.55. CMS projects that the updates for CY 2017 will increase the total payments to all ESRD facilities by 0.73 percent compared with CY 2016. For hospital-based ESRD facilities, CMS projects an increase in total payments of 0.9 percent, while for freestanding facilities, the projected increase in total payments is 0.7 percent. Aggregate ESRD PPS expenditures are projected to increase by approximately \$80 million from CY 2016 to CY 2017.

Changes to the ESRD PPS:

- Update to the base rate
- Annual update to the wage index and wage index floor
- Update to the outlier policy
- Home and self-dialysis training add-on payment adjustment

Changes to the DMEPOS Competitive Bidding Program:

- Bid surety bond
- State licensure
- Appeals process for breach of contract actions
- Bid limits
- Changes for similar items with different features

For More Information:

- [Final Rule](#)

See the full text of this excerpted [CMS fact sheet](#) (issued October 28).

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