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## SPECIAL EDITION

Monday, July 29, 2019

### News

PFS: Proposed Policy, Payment, and Quality Provisions Changes for CY 2020  
Medicare OPPS and ASC Payment System CY 2020 Proposed Rule  
ESRD and DMEPOS CY 2020 Proposed Rule

### News

#### **PFS: Proposed Policy, Payment, and Quality Provisions Changes for CY 2020**

On July 29, CMS issued a proposed rule that includes proposals to update payment policies, payment rates, and quality provisions for services furnished under the Medicare Physician Fee Schedule (PFS) on or after January 1, 2020. This proposed rule is one of several proposed rules that reflect a broader Administration-wide strategy to create a health care system that results in better accessibility, quality, affordability, empowerment, and innovation. It also includes proposals to streamline the Quality Payment Program with the goal of reducing clinician burden. This includes a new, simple way for clinicians to participate in our pay-for-performance program, the Merit-based Incentive Payment System (MIPS), called the MIPS Value Pathways.

The proposed rule also includes:

- CY 2020 PFS rate setting and conversion factor
- Medicare telehealth services
- Payment for evaluation and management services
- Physician supervision requirements for physician assistants
- Review and verification of medical record documentation
- Care management services
- Comment solicitation on opportunities for bundled payments
- Medicare coverage for opioid use disorder treatment services furnished by opioid treatment programs
- Bundled payments for substance use disorders
- Therapy services
- Ambulance services
- Ground ambulance data collection system
- Open Payments Program
- Medicare Shared Savings Program
- Stark advisory opinion process

For More information:

- [Proposed Rule](#): Public comments due by September 27
- [Press Release](#)
- [PFS Proposed Rule Fact Sheet](#)
- [Quality Payment Program Proposed Rule Fact Sheet](#)

See the full text of this excerpted [Fact Sheet](#) (Issued July 29)

## Medicare OPPS and ASC Payment System CY 2020 Proposed Rule

On July 29, CMS proposed policies that follow directives in President Trump's Executive Order, entitled "Improving Price and Quality Transparency in American Health Care to Put Patients First," that lay the foundation for a patient-driven health care system by making prices for items and services provided by all hospitals in the United States more transparent for patients so that they can be more informed about what they might pay for hospital items and services.

The proposed changes also encourage site-neutral payment between certain Medicare sites of services. Finally, the proposed rule proposes updates and policy changes under the Medicare Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System. The proposed policies in the CY 2020 OPPS/ASC Payment System proposed rule would further advance the agency's commitment to increasing price transparency, (including proposals for requirements that would apply to each hospital operating in the United States), strengthening Medicare, rethinking rural health, unleashing innovation, reducing provider burden, and strengthening program integrity so that hospitals and ambulatory surgical centers can operate with better flexibility and patients have what they need to become active health care consumers.

In accordance with Medicare law, CMS is proposing to update OPPS payment rates by 2.7 percent. This update is based on the projected hospital market basket increase of 3.2 percent minus a 0.5 percentage point adjustment for Multi-Factor Productivity (MFP).

In the CY 2019 OPPS/ASC final rule with comment period, we finalized our proposal to apply the hospital market basket update to ASC payment system rates for an interim period of 5 years (CY 2019 through CY 2023). CMS is not proposing any changes to its policy to use the hospital market basket update for ASC payment rates for CY 2020-2023. Using the hospital market basket, CMS proposes to update ASC rates for CY 2020 by 2.7 percent for ASCs meeting relevant quality reporting requirements. This change is based on the projected hospital market basket increase of 3.2 percent minus a 0.5 percentage point adjustment for MFP. This change will also help to promote site neutrality between hospitals and ASCs and encourage the migration of services from the hospital setting to the lower cost ASC setting.

The proposed rule also includes:

- Proposed definition of 'hospital,' 'standard charges,' and 'items and services'
- Proposed requirements for making public all standard charges for all items and services
- Proposed requirements for making public consumer-friendly standard charges for a limited set of 'shoppable services'
- Proposals for monitoring and enforcement
- Method to control for unnecessary increases in utilization of outpatient services
- Changes to the Inpatient Only list
- ASC covered procedures list
- High-cost/low-cost threshold for packaged skin substitutes
- Device pass-through applications
- Addressing wage index disparities
- Changes in the level of supervision of outpatient therapeutic services in hospitals and critical access hospitals
- Hospital Outpatient Quality Reporting Program
- Ambulatory Surgical Center Quality Reporting Program
- CY 2020 OPPS payment methodology for 340B purchased drugs
- Partial Hospitalization Program rate setting and update to per diem rates
- Revision to the organ procurement organization conditions for certification
- Potential changes to the organ procurement organization and transplant center regulations: Request for Information

For More Information:

- [Proposed Rule](#): Public comments due by September 27

- [Press Release](#)

See the full text of this excerpted [CMS Fact Sheet](#) (issued July 29).

## ESRD and DMEPOS CY 2020 Proposed Rule

On July 29, CMS issued a proposed rule that proposes to update 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, 2020. This rule also:

- Proposes updates to the Acute Kidney Injury (AKI) dialysis payment rate for renal dialysis services furnished by ESRD facilities to individuals with AKI
- Proposes changes to the ESRD Quality Incentive Program
- Includes requests for information on data collection resulting from the ESRD PPS technical expert panel, on possible updates and improvements to the ESRD PPS wage index, and on new rules for the competitive bidding of diabetic testing strips.

In addition, this rule proposes a methodology for calculating fee schedule payment amounts for new Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) items and services and making adjustments to the fee schedule amounts established using supplier or commercial prices if such prices decrease within five years of establishing the initial fee schedule amounts. This rule would also:

- Make amendments to revise existing policies related to the competitive bidding program for DMEPOS
- Streamline the requirements for ordering DMEPOS items, and create one Master List of DMEPOS items that could potentially be subject to face-to-face encounter and written order prior to delivery and/or prior authorization requirements

The proposed CY 2020 ESRD PPS base rate is \$240.27, an increase of \$5.00 to the current base rate of \$235.27. This proposed amount reflects a reduced market basket increase as required by section 1881(b)(14)(F)(i)(I) of the Act (1.7 percent) and application of the wage index budget-neutrality adjustment factor (1.004180).

The proposed rule also includes:

- Annual update to the wage index
- Update to the outlier policy
- Eligibility criteria for the Transitional Drug Add-on Payment Adjustment (TDAPA)
- Basis of Payment for the TDAPA for calcimimetics
- Average sales price conditional policy for the application of the TDAPA:
- New and innovative renal dialysis equipment and supplies
- Discontinuing the application of the erythropoiesis-stimulating agent monitoring policy
- Impact analysis:

For More Information:

- [Proposed Rule](#): Public comments due by September 27
- [Press Release](#)

See the full text of this excerpted [CMS Fact Sheet](#) (issued July 29).

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