

CMS Finalizes OPPS & ASC Rules for 2021

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CMS finalized the [Outpatient Prospective Payment System and ASC final rule](#) on December 2, 2020. Below is a summary of the major provisions:

Inpatient Only List (IPO)

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ASC Covered Procedures List (CPL)

ASC Covered Procedures List. Using the standard criteria, 11 procedures are being added to the ASC covered procedures list (CPL), including total hip arthroplasty (CPT 27130). Using the revised criteria in determining adding covered procedures, an additional 267 surgical procedures are being added to the CPL, beginning January 1, 2021.

OPPS & ASC Payment Update

The ASC payment rate will see an update of 2.4%. The OPPS payment rate for hospitals that meet quality requirements will see an increase of 2.4%.

340B Drugs Update

OPPS Payment for 340B drugs. In this final rule, CMS is continuing the current 340B payment policy of paying ASP minus 22.5% for 340B acquired drugs. The policy will continue to exempt rural sole community hospitals, children's hospitals and PPS-exempt cancer hospitals. These hospitals will continue to report the TB modifier for 340B acquired drugs and continue to be paid ASP+6 percent.

Partial Hospitalization Update

Given that the final calculated geometric mean per diem costs are much higher than the proposed cost floors, CMS is not extending the cost floors to CY 2021 and subsequent years. Accordingly, CMS is finalizing the CY2021 PHP APC per diem rates for CMHCs and HB PHPs based on the updated cost data for each provider type.

Comprehensive APCs

For CY 2021, two new comprehensive APCs are being added. C-APC 5378 (Level 8 Urology and Related Services) and C-APC 5465 (Level 5 Neurostimulator and Related Procedures). This increases the total number of C-APCs to 69.

Device Pass-Through Payment Applications

Beginning January 1, 2021, CMS is approving five device pass-through applications that meet the criteria to be granted transitional pass-through status.

- a. BAROSTIM NEO System
- b. Hemospray Endoscopic Hemostat
- c. The SpineJack Expansion Kit
- d. CUSTOMFLEX ARTIFICIAL IRIS
- e. EXALT Model D Single-Use Duodenoscope

Changes to the Level of Supervision of Outpatient Therapeutic Services in Hospitals and CAHs.

CMS is finalizing their proposed policy to permit direct supervision of pulmonary rehabilitation, cardiac rehabilitation, and intensive cardiac rehabilitation services using virtual presence of the physician through audio/video real-time communications technology subject to the clinical judgment of the supervising physician until the later of the end of the calendar year in which the PHE ends or December 31, 2021.

Cancer Hospital Payment Adjustment

Section 16002(b) of the 21st Century Cures Act requires that the weighted average PCR be reduced by 1.0 percentage point. Based on the data and the required 1.0 percentage point reduction, a target PCR of 0.89 will be used to determine the CY 2021 cancer hospital payment adjustment to be paid at cost report settlement.

Hospital Outpatient Quality Reporting (OQR) and Ambulatory Surgical Center Quality Reporting (ASCQR) Programs:

CMS is not making any measure additions or removals for either program for CY 2021.

Overall Hospital Quality Star Ratings:

These changes will be used to calculate the Overall Star Quality Rating beginning in 2021. Overall, the finalized changes are:

- a. Simplify the methodology by reducing the total number of measure groups and create an explicit approach to calculating measure group scores.
- b. Improve predictability of the Overall Star Rating over time through a simple average of measure scores with equal measure weightings that hospitals can better anticipate; and
- c. Improve the comparability of the Overall Star Rating through updating the reporting threshold, and peer grouping.

Addition of New Service Categories for Hospital Outpatient Department Prior Authorization Process:

CMS is adding the following two categories of services to the prior authorization process for hospital outpatient departments beginning for dates of service on or after July 1, 2021: (1) cervical fusion with disc removal and (2) implanted spinal neurostimulators.

Clinical Laboratory Date of Service (DOS) Policy:

CMS is excluding certain protein based Multianalyte Assays with Algorithmic Analyses (MAAAs), which are not generally performed in the HOPD setting, from the OPPS packaging policy and adding them to the laboratory DOS exception at 42 CFR 414.510(b)(5).

Physician-Owned Hospitals

CMS is removing unnecessary regulatory restrictions on high Medicaid facilities and including beds in a physician-owned hospital's baseline consistent with state law.

Reporting Requirements for Hospitals and Critical Access Hospitals (CAHs) to Report COVID-19 Therapeutic Inventory and Usage and to Report Acute Respiratory Illness During the Public Health Emergency (PHE) for Coronavirus Disease 2019 (COVID-19):

CMS is finalizing a new requirement for the nation's 6,200 hospitals and critical access hospitals to report information about their inventory of therapeutics to treat COVID-19. In addition, CMS is finalizing these facilities to report information about the impact of acute respiratory illnesses, such as seasonal influenza, on hospital resources.

The addenda related to OPPS are available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hospital-Outpatient-Regulations-and-Notices>.

The addenda related to the ASC payment system are available at: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/ASC-Regulations-and-Notices>.

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