

CY 2019 Medicare Hospital Outpatient Prospective Payment System and Physician Fee Schedule Final Rule Summary

On November 2, 2018, the Centers for Medicare and Medicaid Services (CMS) released the calendar year (CY) 2019 Physician Fee Schedule (PFS) final rule. On November 1, 2018, CMS released the CY 2019 Outpatient Prospective Payment System (OPPS) Ambulatory Surgical Center (ASC) Payment System final rule. These rules establish CY 2019 payment rates for radiation therapy services provided in both hospital outpatient and freestanding radiation therapy center settings. Both rules will become effective January 1, 2019.

This summary will highlight relevant policy changes finalized in the CY 2019 OPPS and PFS final rules and provide CY 2019 payment rates for select courses of radiation therapy services.

This summary is completely based on the information provided under the relevant policy changes finalized in the CY 2019 OPPS and PFS final rules and provided by CY 2019 payment rates for select courses of radiation therapy services. Please see disclaimer herein for further information regarding this summary provided.

CY 2019 OPPS Final Rule

Payment Updates

CMS finalized an overall increase of fee schedule payments to hospitals of 1.35 percent. This update includes a market basket update of 2.9 percent, a negative 0.8 percentage point multifactor productivity (MFP) adjustment, and a negative 0.75 percentage point adjustment required by the Affordable Care Act (ACA). For CY 2019, CMS expects that OPPS expenditures will reach \$74.1 billion, an increase of 8.5 percent over projected CY 2018 spending. National average payment rates for CYs 2018 and 2019 for courses of radiation therapy are provided in Table 1 below.

Site Neutral Payment for Hospital Outpatient Clinic Visits

CMS finalized its proposal to expand site neutral payment policies by reimbursing for hospital outpatient clinic visits at the PFS rate when they are provided at an excepted off-campus provider-based

department. According to the final rule, services reported by G0463 will be paid at 40 percent of the OPPS rate, which is the same rate nonexcepted provider-based departments receive. In response to stakeholder concerns, CMS will phase this policy in over two years, with 50 percent of reduction taking effect in CY 2019.

Comprehensive Ambulatory Payment Classification (C-APC) Updates

CMS created three new C-APCs for 2019 for ear, nose, and throat, and vascular procedures. In the public comment period, stakeholders argued that C-APCs should be discontinued for brachytherapy and stereotactic radiosurgery (SRS). CMS acknowledged these comments and asserted that C-APC methodology adequately reimburses for these services. CMS will continue to pay separately for 10 planning and preparation services associated with SRS for C-APC 5627 (Level 7 Radiation Therapy).

Table 1: OPPS Medicare Allowable National Average Payments by Course

Type	2018 Payment	2019 Payment	2018–2019 % Change
2D	\$4,303	\$4,341	0.9%
3D with Imaging–33 Fractions	\$12,698	\$12,824	1.0%
IMRT Simple–44 Fractions	\$28,657	\$28,513	–0.5%
IMRT Complex–30 Fractions	\$19,715	\$19,626	–0.5%
SRS–LINAC or Cobalt	\$9,567	\$9,783	2.3%
SBRT–LINAC 5 Fractions	\$15,590	\$15,628	0.2%
Prostate HDR	\$9,226	\$9,840	6.7%
GYN T&O HDR	\$13,473	\$13,896	3.1%
Skin Single Channel HDR	\$6,928	\$6,927	0.0%

¹ <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/PFS-Federal-Regulation-Notices-Items/CMS-1693-F.html>

² <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hospital-Outpatient-Regulations-and-Notices-Items/CMS-1695-FC.html>

CY 2019 PFS Final Rule

Payment Updates

CMS finalized an update to the PFS conversion factor to \$36.0391 for CY 2019, which included a 0.25 percent statutory update and a negative 0.14 percent budget neutrality adjustment. Based on relative value unit (RVU) changes for CY 2019, CMS estimates that radiation oncology and radiation therapy centers will see a total one percent decrease in payments across all services. National average payment rates for CYs 2018 and 2019 for courses of radiation therapy are provided in Table 2 below.

Changes to Evaluation and Management (E&M) Services

In an effort to reduce administrative burden and improve payment accuracy for E&M services, CMS finalized several documentation, coding, and payment changes that will take place over the next three years. For CYs 2019 and 2020, CMS will maintain the current coding and payment structures for E&M

services, but will eliminate certain documentation requirements, including:

- Eliminating documentation requirements for the necessity of a home visit;
- Clarifying that practitioners only need to focus their documentation for established patients on what has changed since the last visit;
- Clarifying that practitioners do not need to re-enter information on a patient's chief complaint on medical records if it has already been entered by the beneficiary or ancillary staff; and
- Removing requirements for duplicative notations in medical records for teaching physicians.

Beginning in CY 2021, CMS will implement changes to simplify payment for E&M services and provide practitioners with choices on how to document visits.

Table 2: PFS Medicare Allowable National Average Payments by Course

Type	Technical Component			Professional Component			Global		
	2018 Payment	2019 Payment	2018–2019 % Change	2018 Payment	2019 Payment	2018–2019 % Change	2018 Payment	2019 Payment	2018–2019 % Change
2D	\$4,034	\$3,921	-2.8%	\$1,144	\$1,154	0.9%	\$5,179	\$5,075	-2.0%
3D with Imaging–33 Fractions	\$13,350	\$13,040	-2.3%	\$3,815	\$3,853	1.0%	\$17,165	\$16,893	-1.6%
IMRT Simple–44 Fractions	\$21,899	\$21,888	2.5%	\$4,457	\$4,512	12.9%	\$26,357	\$26,400	0.2%
IMRT Complex–30 Fractions	\$16,429	\$16,425	0.0%	\$4,101	\$4,142	1.0%	\$20,531	\$20,566	0.2%
SRS–LINAC	\$3,414	\$3,313	-3.0%	\$2,284	\$2,303	0.8%	\$5,699	\$5,616	-1.5%
SBRT–LINAC 5 Fractions	\$9,645	\$9,045	-6.2%	\$2,486	\$2,507	0.8%	\$12,132	\$11,552	-4.8%
Prostate HDR	\$3,521	\$3,414	-3.0%	\$2,040	\$2,057	0.9%	\$5,561	\$5,472	-1.6%
GYN T&O HDR	\$4,216	\$4,150	-1.6%	\$4,014	\$4,047	0.8%	\$8,230	\$8,197	-0.4%
Skin Single Channel HDR	\$2,750	\$2,762	0.4%	\$1,151	\$1,163	1.0%	\$3,902	\$3,925	0.6%

*2018 payment rates were calculated with a conversion factor of \$35.9996 and 2019 payment rates were calculated with a CF of \$36.0391

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