

Health Policy Update – November 2, 2018

Stay up to date on public policy initiatives and legislation impacting your community specialty clinic. The Health Policy Update is a bi-weekly newsletter for McKesson Specialty Health customers with curated content, and resources to help you advocate for your practice and patients.

Final Rule Expands Site Neutral Payments and Furthers Reduction to 340B Reimbursement

The Centers for Medicare and Medicaid Services (CMS) has issued a final rule to update payment policies and payment rates for services furnished under the Hospital Outpatient Prospective Payment System (OPPS). CMS will be accepting comments on the proposed rule until December 3, 2018. These policies are set to go into effect on January 1, 2019. Here are the highlights:

Increasing Choices and Encouraging Site Neutrality

CMS is exercising its authority under the law to control unnecessary increases in the volume of covered hospital outpatient department services by reimbursing all clinic visit services provided at an off-campus provider-based department at a Physician Fee Schedule (PFS) equivalent rate. This policy will be phased-in over a 2-year period.

In CY2019, CMS will reimburse clinic visits at excepted off-campus provider-based departments (PBDs) at 70 percent of the OPPS rate or \$81. In CY 2020 and subsequent years, CMS will reimburse all clinic visits at off-campus PBDs at 40 percent of the OPPS rate or \$46.

CMS estimates this proposed change would result in savings of \$300 million for the Medicare program and \$80 million in lower patient copays in CY2019.

CMS is not finalizing site neutral payments for new clinical families of services furnished at excepted off-campus PBDs but intends to monitor the expansion of services provided at these facilities.

Application of 340B Drug Payment Policy to All Off-Campus Provider-Based Departments (PBDs)

CMS is finalizing the reimbursement rate of ASP -22.5% for certain separately payable drugs or biologicals that are acquired through the 340B Program to all off-campus PBDs.

Beginning January 1, 2018, Medicare began reimbursing certain drugs acquired through the 340B program at ASP - 22.5% to hospitals and PBDs paid under the OPPS. This proposal will expand the ASP -22.5% reimbursement rate to 340B acquired drugs at all PBDs.

Payment Policy for Biosimilar Biological Products without Pass-Through Status Acquired under the 340B Program

CMS is finalizing payment for non-pass-through biosimilars acquired under the 340B program at ASP -22.5% of the biosimilar's own ASP rather than ASP -22.5% of the reference product's ASP.

To view the CMS fact sheet on the OPPS proposed rule, [CLICK HERE](#).

To view CMS' press release, [CLICK HERE](#).

To view the final rule in its entirety, [CLICK HERE](#).