



## OPPS and Home Health Final Rules - Key Issues

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**November 2, 2017**

On November 1, 2017, the Centers for Medicare and Medicaid Services (CMS) released the final rule for the Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System and Quality Reporting Programs Changes for 2018 and the Final Rule for Home the Home Health Prospective Payment System Update..

To read the CMS press release on OPPS, click [here](#). To read the CMS summary, click [here](#). To read the final rule, click [here](#).

### Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Changes for 2018

The final rule includes updates to the 2018 rates and quality provisions, and proposes other policy changes. CMS is increasing OPPS payment rates by 1.35 percent for 2018.

- **Decrease in prices for payment for drugs and biologicals (“drugs”) purchased with a 340B Program Discount** – As originally proposed, CMS is adopting a policy to reimburse hospitals for Part B drugs at a rate of average sales price minus 22.5 percent, a cut from the current reimbursement rate for Part B drugs to 340B hospitals of average sales price plus 6 percent. Rural Sole Community Hospitals, PPS-exempt Cancer Hospitals, and Children’s Hospitals are exempt from this policy for CY 2018. CMS states it may revisit these policies for CY 2019 and is especially interested in exploring policies addressing the needs of safety net hospitals. *Discussion begins on page 540.*
- **Direct supervision of hospital outpatient therapeutic services** - CMS is reinstating the non-enforcement of direct supervision enforcement instructions for outpatient therapeutic services for CAHs and small rural hospitals having 100 or fewer beds for CYs 2018 and 2019. *Discussion begins on page 692.*

- **Removal of total knee arthroplasty from Inpatient Only List as well as five other procedures.** *Discussion begins on page 657; a chart showing changes to the inpatient only list is on page 678.*

**Consideration of possible removal of partial and total hip arthroplasty from Inpatient Only List** – CMS will consider the comments in future rulemaking. *Discussion begins on page 679.*

- **Revisions to the Laboratory Date of Service policy to allow laboratories to bill Medicare directly** – CMS added an additional exception to the current laboratory DOS regulations, effective January 1, 2018. This new exception generally permits laboratories to bill Medicare directly for ADLTs and molecular pathology tests excluded from OPPS packaging policy if the specimen was collected from a hospital outpatient during a hospital outpatient encounter and the test was performed following the patient’s discharge from the hospital outpatient department. *Discussion begins on page 704.*

### **Home Health Prospective Payment System Update for 2018**

To read the CMS fact sheet on home health, click [here](#). To read the final rule, click

The rule finalizes a 0.4 percent reduction in pay to home health agencies for 2018, or about \$80 million overall.

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