

## **Hassan Amendment #2 to the Chairman’s Mark of the Better Mental Health Care, Lower-Cost Drugs, and Extenders Act**

**Short Title:** Parity in Medicare Payments for Hospital Outpatient Department Services Furnished Off-Campus.

**Description of the Amendment:** This amendment would amend Section 1395I of the Social Security Act to require that off-campus outpatient departments of a hospital (HOPDs) bill the physician or ambulatory fee schedule rate for all items and services other than those furnished by a dedicated emergency department, beginning January 1, 2025. The amendment would also require that hospitals establish and bill all items and services using separate, unique provider identifier numbers for each off-campus outpatient department. The amendment would direct any savings from this amendment into the Medicare Improvement Fund.

Section 603 of the Bipartisan Budget Act of 2015 established billing rules that prohibit off-campus HOPDs from billing the higher Hospital Outpatient Prospective Payment System (OPPS) rates for care, but exempted off-campus HOPDs that were already billing the OPPS prior to November 2, 2015, or those that were under construction at that time. These exceptions continue to incentivize consolidation between hospitals and physician offices, driving up health care costs for patients and employers. Therefore, this amendment would end these exceptions and would require that all off-campus HOPDs bill the physician fee schedule or ambulatory rate.

This amendment draws from work from the Medicare Payment Advisory Commission<sup>1</sup>, the Government Accountability Office<sup>2</sup>, and the HHS Inspector General<sup>3</sup> recommending that Congress reimburse off-campus HOPDs at the physician or ambulatory rate for routine care.

**Offset:** N/A; In 2019, CBO estimated<sup>4</sup> that ending these exceptions would reduce the federal deficit by \$39 billion over 10 years. This year, CBO also estimated<sup>5</sup> that requiring each off-campus HOPD to bill all services using a unique provider identifier would save an additional \$2.3 billion over 10 years.

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<sup>1</sup> <https://www.medpac.gov/document/june-2023-report-to-the-congress-medicare-and-the-health-care-delivery-system/>

<sup>2</sup> <https://www.gao.gov/products/gao-16-189>

<sup>3</sup> <https://oig.hhs.gov/oas/reports/region5/51200020.asp>

<sup>4</sup> <https://www.cbo.gov/system/files/2020-03/56245-2020-03-medicare.pdf>

<sup>5</sup> <https://www.cbo.gov/system/files/2023-09/hr5378table.pdf>