CY 2019 Updates to the Hospital Outpatient Prospective Payment System

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As always, the new year has brought the annual round of updates to code sets and coding procedures, including the newly released Hospital Outpatient Prospective Payment System (OPPS) update for 2019. The final rule for calendar year (CY) 2019 was released by the Centers for Medicare and Medicaid Services (CMS) on November 21, 2018 and went into effect January 1, 2019. This article provides an overview of the changes.

Conversion Factor

The final rule of the CY 2019 OPPS presents a conversion factor increase of 1.25 percent. The conversion factor for CY 2019 is $79.546, compared to 2018's conversion factor of $78.636. This number is derived from the proposed inpatient market basket increase of 2.8 percent minus the multi-factor productivity index of .8 percent in addition to a .75 percent reduction as required by the Patient Protection and Affordable Care Act (ACA). Hospitals that comply with the outpatient quality reporting requirements are able to use a conversion factor of $79.546 while hospitals that fail to comply will receive a two percent reduction, resulting in a conversion factor of $77.955.

Payment Status Indicators

Payment status indicators reveal if a service represented by certain HCPCS codes will be reimbursed under the OPPS. The list for the 2019 status indicators can be found in Addendum D1. There are 26 status indicators for CY 2019, of which seven are new. Status indicator J was further divided into two status indicators. The additional status indicators include Q1, Q2, Q3, Q4, and R.

- J1: Comprehensive part B services paid through a Comprehensive APC
- J2: Comprehensive part B services that may be paid through a Comprehensive Ambulatory Payment Classification (APC)
- Q1: STV-packaged codes
- Q2: T-packaged codes
- Q3: Codes that may be paid through a Composite APC
- Q4: Conditionally packaged laboratory tests
- R: Blood and blood products

Additional information can be found on these and all status indicators in Addendum D1.

HCPCS Codes and APC Payments

The APC assignment determines the payment rate of a provided service. There are 719 APCs for CY 2019 located in Addendum A of the final rule. There were also 391 HCPCS codes with some sort of change for 2019. These codes are located in column C of Addendum B of the final rule. If a code has been changed, it will have a comment indicator of "CH." The changes may include a revision of the APC assignment, a change in status indicator, or both.

Inpatient-Only List

Two CPT procedures were removed from the inpatient-only list for CY 2019 and one HCPCS code was added. CPT code 31241, Nasal/sinus endoscopy, surgical; with ligation of sphenopalatine artery has been deleted along with 01402, Anesthesia for open or surgical arthroscopic procedures on knee joint; total knee arthroplasty. HCPCS code C9606, Percutaneous

transluminal revascularization of acute total/subtotal occlusion during acute myocardial infarction, coronary artery or coronary artery bypass graft, and combination of drug-eluting intracoronary stent, atherectomy and angioplasty, including aspiration thrombectomy when performed, single vessel has been added to the inpatient-only coding list. This code has been deemed to be similar to CPT 92941, which CMS added to the inpatient-only list for CY 2018. There are 1,745 procedures on the inpatient coding list for CY 2019. The inpatient-only list can be found in Addendum E of the OPPS final rule.

Changes to Hospital Outpatient Quality Reporting

In order to reduce the burden associated with information collection for the Hospital Outpatient Quality Reporting Program requirements, the final rule has removed a total of eight measures. The removal of OP-12, OP-17, and OP-30 are predicted to reduce the burden for the CY 2021 payment determination by approximately 530,075 hours and $19.4 million.

One of the removed measures is for CY 2020 determination:

- OP-27: Influenza Vaccination Coverage Among Healthcare Personnel

The additional seven measures removed are for the CY 2021 payment determination:

- OP-5: Median Time to ECG
- OP-9: Mammography Follow-up Rates
- OP-11: Thorax CT Use of Contrast Material
- OP-12: The Ability for Providers with HIT to Receive Laboratory Data Electronically Directly into Their Qualified/Certified EHR System as Discrete Searchable Data
- OP-14: Simultaneous Use of Brain Computed Tomography (CT)
- OP-17: Tracking Clinical Results Between Visits
- OP-30: Endoscopy/Polyp Surveillance: Colonoscopy Interval for Patients with a History of Adenomatous Polyps-Avoidance of Inappropriate Use

For CY 2019, the outlier fixed-dollar threshold is $4,600. This is increased from the 2018 threshold of $4,150. An outlier payment is made when the cost of a service exceeds 175 percent of the APC payment and the fixed-dollar threshold amount of $4,600. The proposed outlier payments for CY 2019 will remain at one percent of the OPPS payments.

Continuation of 340B Drug Payment Plan

Under the 2019 OPPS final rule, CMS will continue to reduce payments to 340B hospitals for drugs purchased under the 340B program. These reductions apply to disproportionate share hospitals (DSH), rural referral hospitals (RRC), and non-rural sole community hospitals (SCH). The payment reduction will continue to be derived by applying the average sales price (ASP) minus 22.5 percent just as it was for 2018. The exception is the way biosimilars will be paid for CY 2019. Non-pass through biosimilars acquired under the 340B Program will be reimbursed at ASP minus 22.5 percent of the biosimilar's ASP. This methodology takes the place of the biosimilar's ASP minus 22.5 percent of the reference product's ASP.

Additional Changes to Review

The changes to the OPPS mentioned in this article are just a few of many. The full final rule is available for review online. The OPPS is updated each year and it is important for all healthcare facilities in the US to review the changes in order to understand how their organization will be impacted.

Reference

Centers for Medicare and Medicaid Services. "Medicare Program: Changes to Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs." *Federal Register* 42 CFR Parts 416 and 419. November 21, 2018. www.federalregister.gov/documents/2018/11/21/2018-24243/medicare-program-changes-to-hospital-outpatient-prospective-payment-and-ambulatory-surgical-center.

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- "2019 ICD-10-PCS Coding Updates" by Tina Bruce, MHIM, MHI, RHIA, CCS, CDIP: http://bok.ahima.org/doc?oid=302605
- "FY 2019 ICD-10-CM Updates: Getting Back to Normal" by Laurie M. Johnson, MS, RHIA, FAHIMA: http://bok.ahima.org/doc?oid=302606
- "IPPS Final Rule Changes for Fiscal Year 2019" by Moira Hunger, RHIT: http://bok.ahima.org/doc?oid=302634

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