

AAFP Summary of key provisions in the 2020 Final Outpatient Prospective Payment System

On November 1, 2019, the Centers for Medicare & Medicaid Services (CMS) released a [final rule with comment period](#) titled “Changes to Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs.” CMS also released a related [fact sheet](#).

The AAFP commented on the proposed version of this regulation in a September 19, 2019 [letter](#). CMS had proposed and the AAFP fully supported:

- Revisions to the Medicare hospital outpatient prospective payment system (OPPS) and the Medicare ambulatory surgical center (ASC) payment system for 2020, most significantly by completing the two-year phase-in of site neutral payments for clinic visits at off-campus provider-based departments (PBDs).
- Requiring all hospitals in the United States beginning on January 1, 2020, to disclose online to patients how much they charge for all supplies, tests, and procedures.

In the final rule, CMS included a policy that continues to eliminate differential payments between certain outpatient sites of service. Specifically, CMS completed the two-year phase-in of the method to reduce unnecessary utilization in outpatient services by addressing payments for clinic visits furnished in the off-campus hospital outpatient setting.

Completion of the two-year phase-in of site neutral payments for clinic visits at off-campus PBDs is estimated to save Medicare beneficiaries \$160 million in lower copays and save the Medicare program \$650 million in 2020. This policy change was challenged by a federal judge earlier this year.

In the AAFP’s comments, the Academy encouraged CMS to also consider site-of-service payment parity policies from a broader perspective. Namely, CMS should not pay more for the same services in the inpatient, outpatient, or ambulatory surgical center setting than in the physician office setting. The AAFP encouraged CMS to create incentives for services to be performed in the most cost-effective location, such as a physician’s office.

Unfortunately, CMS did not finalize its proposal to require hospitals to disclose prices for all supplies, tests, and procedures. The AAFP had agreed with CMS posting prices would make it easier for patients to shop around for the best price. In the final rule, the agency delayed this requirement and signaled that a separate final rule on the issue would be released in the future. On October 29, CMS sent the Office of Management and Budget a [rule](#) for review titled, “CY 2020 Hospital Outpatient PPS Policy Changes: Price Transparency Requirements for Hospitals to Make Standard Charges Public.” Hospitals and some other stakeholders have fiercely opposed this requirement.

Questions or comments? Please email regulations@aafp.org.

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