

Site Neutral Payments Coming for New HOPDs

What is it and When is it coming

January 1, 2017

Site-neutral payments, also called payment leveling or payment equalization, refer to a reduction in payment for services performed at Hospital Outpatient Departments (HOPDs) to minimize the reimbursement discrepancy across sites of care.

Who's Impacted

**"Off-campus,"
provider-based
sites**

Located at least 250 yards from hospital's campus and acquired on or after November 2, 2015.



Will be paid under the Physician Fee Schedule (PFS)

If HOPD is a surgery facility, they will be paid under the Ambulatory Surgical Center (ASC) Payment System.

Reimbursement Impact

HCPCS Code	Description	HOPPS Rate	PFS TC	% Change
71020	Chest X-ray	\$60.80	\$16.83	-72%
72147	MRI Chest/Spine	\$454.32	\$232.73	-49%
70450	CT Head/Brain	\$112.49	\$73.40	-35%
76700	Ultrasound abdomen	\$153.58	\$83.07	-46%
73120	Hand X-ray	\$100.61	\$17.54	-83%
70551	MRI Brain Stem	\$272.83	\$156.46	-43%
72127	CT Neck/Spine	\$235.95	\$208.02	-12%

Because PFS and ASC payments are typically lower than HOPPS payments, it is estimated that Calendar Year 2017 Medicare Part B expenditures will be \$330 million lower than previously estimated.

Who's Exempt

**On-Campus
HOPDs**

Facilities located within 250 yards of either the main hospital campus or remote locations with inpatient facilities will continue to receive facility payments.

**Existing HOPDs are
"grandfathered."**

HOPDs in operation and billing prior to November 2, 2015, will continue to receive facility payments.

**Dedicated hospital-
owned emergency
departments**

All are exempt, including off-campus (freestanding) emergency departments.

**"Grandfathered"
Status May Be
Revoked**



Cannot change facility location.

Congress is **considering** a change to the effective date so that facilities "under construction" at the time Section 603 was enacted would also be grandfathered.



Change in ownership may revoke "grandfathered" status, unless the new owners accept existing Medicare provider agreements.