



Policy Alert: MPFS and HOPPS CY2020 Proposed Rules Released

Health Policy Alert: CY2020 Proposed OPSS and MPFS Summary

The Elekta Health Policy and Government Affairs (HPGA) team is pleased to provide the second of two updates on proposed Medicare payment policies for calendar year (CY) 2020. On July 29, 2019, the Centers for Medicare and Medicaid Services (CMS) posted its proposed rules for the Hospital Outpatient Prospective Payment System (OPPS), which governs payment for the technical portion of the hospital outpatient setting, and the Medicare Physician Fee Schedule (MPFS), which governs payment for the freestanding centers and physician payment.

These proposals, which are part of the annual CMS rulemaking process for fee-for-service Medicare, will inform payment rates for radiation therapy services provided in the hospital outpatient and freestanding settings for 2020. **These traditional Medicare fee-for-service rates will be used in setting payment rates for the approximately 60% of radiation oncology episodes that are not part of the newly proposed radiation oncology alternative payment model (RO APM) payment methodology.**

Proposed Rule Highlights

Overall, the proposed rules are positive for radiation therapy services in both hospital outpatient and freestanding centers that will be accepting fee-for-service payment next year. For CY2020, CMS is proposing moderate payment increases for radiation therapy services provided in the hospital outpatient setting, and slight payment decreases for services in the freestanding setting. These changes are consistent with recent payment update trends for Medicare. We consider any payment update change under 5% to be stable. National average payment rates for radiation therapy courses of therapy for the current year (CY2019) and proposed rates for CY2020 are provided in Tables 1 and 2 below.

More detailed summaries of the proposals are below. However, we wanted to highlight the following proposals from both rules:

- Stable and positive payment rate changes for all major radiation therapy procedures in the hospital outpatient setting (OPPS)
- No major payment methodology changes for Gamma Knife; overall 4.8% increase in 2020 rates as compared to 2019 rates (OPPS)
- 4.0% decrease in overall payment for radiation oncology providers and radiation therapy freestanding centers (MPFS)
- Extension of the payment freeze for radiation therapy treatment delivery codes in the freestanding centers which continues to provide payment stability (MPFS)

- 4.3% payment cut for SBRT procedures provided in freestanding centers due to changes in the practice expense calculations, and smaller decreases for select other radiation therapy procedures (MPFS)

Hospital Outpatient Summary (OPPS)

CMS proposed an overall increase of fee schedule payments to hospitals of 2%. For CY2020, CMS expects that OPPS expenditures would increase by approximately \$940 million as compared to CY2019 spending. CMS did not propose any major changes to radiation therapy payment methodology but did propose modifications to existing policies on hospital pricing transparency, which may increase administrative burden for hospitals.

Table 1: Hospital Outpatient Payment Rates

Medicare OPPS National Average Rates			
Course of Therapy	2019 Final Rule Payment	2020 Proposed Rule Payment	2019 – 2020 % Change
3D (33 Fractions with Imaging)	\$12,824	\$13,580	5.9%
IMRT Simple (44 Fractions)	\$28,513	\$29,971	5.1%
IMRT Complex (30 Fractions)	\$19,626	\$20,641	5.2%
Cobalt 60 SRS Headframe	\$9,462	\$9,917	4.8%
LINAC SRS Frameless	\$9,783	\$10,256	4.8%
SBRT Cranial (5 Fractions)	\$16,271	\$17,170	5.5%
SBRT Lung (5 Fractions)	\$15,628	\$16,491	5.5%
Prostate HDR	\$9,840	\$10,531	7.0%
GYN T&O HDR	\$13,896	\$15,106	8.7%
APBI Single Channel HDR	\$10,992	\$12,074	9.8%
APBI Multi Channel HDR	\$10,992	\$12,074	9.8%

*Rates based on standard courses developed by Revenue Cycle Inc.

Freestanding and Physician Payment Summary (MPFS)

Based on relative value unit (RVU) changes for CY2020, CMS estimates that radiation oncology and radiation therapy centers will see a total 4% decrease in payments across all services, mostly due to a transitional decrease of payment for SBRT procedures. For CY2020, CMS proposed extending the 2018 freeze to G-code rates and preserving current work RVUs and direct PE inputs. This means Medicare is interested in maintaining payment stability in the freestanding market for at least the next year.

Table 2: Freestanding Center (Global) Payment Rates

Medicare Freestanding Center (Global) MPFS National Average Rates			
Course of Therapy	2019 Final Rule Payment	2020 Proposed Rule Payment	2019 – 2020 % Change
3D (33 Fractions with Imaging)	\$16,893	\$16,772	-0.7%
IMRT Simple (44 Fractions)	\$26,400	\$26,566	0.6%
IMRT Complex (30 Fractions)	\$20,566	\$20,716	0.7%
LINAC SRS	\$5,616	\$5,565	-0.9%
LINAC SBRT (5 Fractions)	\$11,552	\$11,053	-4.3%
Prostate HDR	\$5,472	\$5,416	-1.0%

GYN T&O HDR	\$8,197	\$8,202	0.1%
APBI Single Channel HDR	\$7,409	\$7,465	0.8%
APBI Multi Channel HDR	\$10,255	\$10,231	-0.2%

*Rates based on standard courses developed by Revenue Cycle Inc.

Next Steps

In the coming weeks, Elekta HPGA will continue to analyze the hundreds of pages of information and data associated with these proposed rules and will determine our strategies for both commenting on the proposed rules and working with government officials on the proposals.

Written comments on both proposed rules are due September 27, 2019. CMS is required to finalize the rule around November 1, 2019, and final payment rates and policies will be effective January 1, 2020.

Please reach out to the HPGA reimbursement team (Elekta.Reimbursement@elekta.com) with any questions.