

# Insights

## **CMS Rule Reducing Medicare Payments for Certain Clinic Visits by Off-Campus PBDs**

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The Bipartisan Budget Act (“BBA”) of 2015, and its implementing regulations at 42 CFR 419.22(v) and 419.48 resulted in the movement of payments for nonexcepted provider-based departments (“PBD”) from the outpatient prospective payment system (“OPPS”) to the Medicare Part B site-specific Physician Fee Schedule (“PFS”). Excepted off-campus PBDs are not subject to the PFS and can instead continue billing under the OPPS. Excepted off-campus PBDs, or those with grandfather status, include: (i) departments that are located on the campus or within 250 yards from a remote location of a hospital; and (ii) off-campus departments that were furnishing services prior to November 2, 2015 that were billed under the OPPS in accordance with timely filing limits. 42 CFR 419.48(b)

However, CMS recently issued a final rule (83 Fed. Reg. at 58822, Nov. 21, 2018) regarding payment amounts for G0463 (hospital outpatient clinic visit for assessment and management of a patient) furnished by off-campus PBDs. In effect, CMS is reducing the OPPS rate for G0463 services provided in excepted off-campus PBDs to the PFS payment rate. This reduction will be phased in over 2 years. In 2019, excepted off-campus PBDs will be paid 70% of the OPPS rate for the clinic visit service. In CY 2020 and subsequent years, excepted off-campus PBDs will be paid 40% of the OPPS rate for the clinic visit service (the PFS payment rate). The result of this payment change is to make the payment for G0463 provided by excepted off-campus PBDs equal to the payment for G0463 provided by non-excepted off-campus PBDs. Therefore, this final rule implements a site-neutral payment structure and eliminates the benefits of an outpatient PBD’s grandfathered status for G0463 services.

The American Hospital Association filed a complaint on December 4, 2018 challenging the validity of the final rule’s payment reduction for G0463 services.

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