

On August 4, 2020, the Centers for Medicare & Medicaid Services (CMS) issued the Calendar Year (CY) 2021 proposed rule for the hospital outpatient department (HOPD) and ambulatory surgical center (ASC) prospective payment systems (PPS). This [Proposed Rule](#) includes payment rate and policy changes for the upcoming calendar year. The comment deadline for the Proposed Rule is October 5, 2020.

Overall, this proposed rule includes favorable payment rate updates for hospitals and ASCs. Among the most notable policy changes are: 1) transitioning services to lower cost settings by eliminating the inpatient-only list to enable more services to be provided in the outpatient settings and increasing the scope of procedures that can be provided in ASCs, 2) further reduc

CMS proposes to add 11 procedures to the ASC-covered procedures list (ASC-CPL), a list of procedures eligible for coverage and payment when furnished in an ASC. This includes total hip arthroplasty as well as several coronary procedures and reproductive system procedures. In addition, CMS proposes two alternatives to the ASC-CPL to further expand services payable in ASCs. Under the first alternative, CMS would modify criteria for adding a procedure to the ASC-CPL and establish a process under which relevant stakeholders would nominate procedures that can be safely performed in the ASC setting. Under the second alternative, CMS would revise the ASC-CPL criteria by eliminating five general exclusion criteria. CMS estimates 270 additional procedures would be added to the ASC covered procedures list in CY 2021.

CMS proposes to adopt a rate of the average sales price (ASP)-34.7 percent with a 6 percent add-on amount for overhead and handling costs for a net proposed rate of ASP-28.7 percent for separately payable drugs or biologics that are acquired through the 340B Program. CMS seeks comment on an alternative proposal of continuing the current Medicare payment policy of paying ASP-22.5 percent for 340B-acquired drugs for CY 2021 and subsequent years. In addition, CMS proposed that rural sole exempt from the Medicare prospective payment system be excepted from either of the proposed 340B payment policies and that these "u" -acquired drugs, and continue to be paid ASP+6 percent.

CMS proposes to establish, update, and simplify the methodology that would be used to calculate the

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for these services will be effective for controlling increases in volume in instances when these cases are not medically necessary. Prior authorization requirements would not apply to these procedures when performed in the inpatient setting.

CMS