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Centers for Medicare & Medicaid Services Finalizes 2017 Medicare Hospital Outpatient Payment Policy

On November 1, 2016, the Centers for Medicare & Medicaid Services (CMS) released a final rule announcing Medicare payment policy and reimbursement rates under the hospital outpatient prospective payment system for calendar year 2017. The final rule will appear in the *Federal Register* on November 14, 2016.

CMS updated payment rates under the hospital outpatient prospective payment system for CY 2017 by 1.65 percent. As explained in more detail below, the average increases in payment rates for CY 2017 for blood and blood products, transfusion, apheresis and stem cell procedures, and transfusion laboratory services are substantially higher than 1.65 percent. Although CMS solicited general feedback on the HCPCS P-code descriptors for blood and blood products, CMS only finalized one change; HCPCS code P9072 will now encompass the use of pathogen-reduction technology or rapid bacterial testing. In addition, CMS established a new Comprehensive Ambulatory Payment Classification (C-APC) for allogeneic hematopoietic stem cell transplantation (HSCT), with a CY 2017 payment rate equal to \$27,752.

2017 Payment Rates for Blood and Blood Products

CMS finalized its proposal to continue establishing separate payment rates for blood and blood products using a blood-specific cost-to-charge ratio (CCR) methodology. Overall, the final payment rates for blood and blood products for 2017 are an average of 2.34 percent higher than the payment rates for 2016. CMS finalized a payment rate for HCPCS code P9010 (Whole blood for transfusion) equal to \$115.44, which is 30 percent lower than the 2016 payment rate for the same code. Importantly, the final payment rate for HCPCS code P9010 is substantially higher than the proposed payment rate of \$79.97, which would have resulted in a 64 percent reduction in reimbursement for whole blood. CMS also finalized a payment rate for P4043 (Plasma protein fract,5%,50ml) that is 30 percent lower than the 2016 payment rate. As proposed, Medicare will no longer pay for pay for code P9050 (Granulocytes, pheresis unit). In contrast, payment rates for several other blood and blood product HCPCS codes were substantially higher than the 2016 payment amounts (i.e., P9011 (blood split unit), P9048 (Plasmaprotein fract,5%,250ml) P9053 (Plt, pher, l/r cmv-neg, irr) and P9060 (Fr frz plasma donor retested)). See Table 1 for a summary of the 2017 payment rates for blood and blood products.

2017 Payment Rates for Transfusion, Apheresis, and Stem Cell Procedures

CMS finalized payment rates for 2017 for transfusion, apheresis, and stem cell procedures that are an average of 12.51 percent higher than then the reimbursement rates for 2016. Importantly, as explained in more detail below, the increase in payment rates for 2017 includes a substantial change in payment for HCPCS Code 38240 (Transplt allo hct/donor) (from



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\$3,015.06 (2016) to \$27,752.75 (2017)). Additionally, CMS finalized a proposal to assign HCPCS code 36456 (Partial exchange transfusion, blood, plasma or crystalloid necessitating the skill of a physician or other qualified health care professional, newborn) to APC 5241 and established a payment rate of \$354.39. However, CMS reduced the payment rate for nine codes by between 64 and 66 percent. See Table 2 for a summary of the 2017 payment rates for transfusion, apheresis, and stem cell procedures.

2017 Payment Rates for Transfusion Laboratory Services

The final payment rates for transfusion laboratory services for 2017 were an average of 4.40 percent higher than the payment rates for 2016. The payment rates for HCPCS code 86902 (blood type antigen donor ea), 86905 (blood typing rbc antigens), 86930 (frozen blood prep) and 86971 (Rbc pretx incubatj) were increased by 79 percent. In contrast, the payment rate for HCPCS code 86880 (Coombs test direct) was reduced by 49 percent from the 2016 payment rate. See Table 3 for a summary of the 2017 payment rates for transfusion laboratory services.

Comprehensive Ambulatory Payment Classification for Hematopoietic Stem Cell Transplants

CMS established a new Comprehensive Ambulatory Payment Classification (C-APC) for allogeneic hematopoietic stem cell transplantation (HSCT) (C-APC 5244). In response to comments received from stakeholders including AABB, CMS agreed that it is preferable to use only claims with the CPT code for the transplant (CPT 38240) and the revenue code for the donor acquisition costs (revenue code 0819) to calculate the payment rate for the new C-APC. CMS used this methodology to finalize a CY 2017 payment rate equal \$27,752, which is significantly higher than the proposed payment rate (\$15,267).

In addition, CMS updated the Medicare hospital cost report (Form CMS-2552-10) by adding a new cost center 77, "Allogeneic Stem Cell Acquisition," to Worksheet A (and applicable worksheets) with the standard cost center code of "07700." This new cost center will be used to record acquisition costs related to allogeneic stem cell transplants (as defined in Section 231.11, Chapter 4, of the Medicare Claims Processing Manual).

HCPCS P-Code Descriptors for Blood and Blood Products

In the proposed rule, CMS solicited feedback regarding the current set of HCPCS P-codes for blood and blood products. In response, AABB recommended that CMS convene stakeholders for a collaborative workshop prior to establishing, finalizing or implementing a thoroughly revised code set for blood products. In addition, AABB offered the following general recommendations: (1) retain unique HCPCS codes for each blood product; (2) establish a not otherwise classified code for blood products; (3) improve the consistency of the descriptors



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throughout the blood codes, and modify certain existing codes; and (4) establish unique HCPCS codes for new blood products that are distinguishable from existing blood products.

Although CMS did not issue a revised set of P-codes for blood and blood products, it recognized feedback received from AABB and other stakeholders, and indicated that “these comments will be taken into consideration in the development of proposals to update the HCPCS P-codes that describe blood products.” As explained below, CMS made one revision to the set of HCPCS P-codes for blood products by revising P9072 to include rapid bacterial testing as well as the use of pathogen-reduction technology. CMS highlighted guidance issued by the Food and Drug Administration in March 2016 entitled, “Bacterial Risk Control Strategies for Blood Collection Establishments and Transfusion Services to Enhance the Safety and Availability of Platelets for Transfusion,” and indicated that the guidance “encourages the use of rapid bacterial testing devices or pathogen-reduction technology for platelets to adequately control the risk of bacterial contamination of platelets.” CMS specified that:

The HCPCS Workgroup has decided to revise the HCPCS code established in CY 2016 for pathogen-reduced platelets (HCPCS code 9072) to include the use of pathogen-reduction technology or rapid bacterial testing. Specifically, the descriptor for this code will be revised, effective January 1, 2017, to read as follows: HCPCS code P9072 (Platelets, pheresis, pathogen reduced or rapid bacterial tested, each unit). The payment rate for HCPCS code P9072 is based on a crosswalk to HCPCS code P9037 (Platelets, pheresis, leukocyte reduced, irradiated, each unit)... When claims data become available for HCPCS code P9072, we will establish a payment rate for this code using that data and our blood-specific CCR methodology.

Drugs

Consistent with current policy, drugs with per diem cost of \$110 or more will be paid separately. The payment will continue to be based on 106 percent of Average Sales Price (ASP), which is consistent with the rates paid for drugs provided in physician offices. Less costly drugs will continue to be packaged into the APC rate for the procedure.

Blood Clotting Factor

For 2017, CMS will continue to pay for blood clotting factors at ASP + 6 percent. In addition, CMS will continue to pay an additional fee for furnishing clotting factor with the amount to be announced later this year.

Comprehensive APC Groupings

Comprehensive APCs (C-APCs) “package payments for adjunctive and secondary items, services, and procedures into the most costly primary procedure under the OPPS at the claim level.” CMS



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finalized 25 new C-APCs that meet the previously established criteria. Thus, effective January 1, 2017 there will be a total of 62 C-APCs.

Site Neutral Payment Provision

Section 603 of the Bipartisan Budget Act of 2015 equalized Medicare payment rates for hospital outpatient departments and certain off-campus provider-based departments (PBDs). The final rule implements section 603 of the Bipartisan Budget Act of 2015 by requiring items and services furnished at certain PBDs to be paid under the “applicable payment system.” For CY 2017, CMS finalized the Medicare physician fee schedule (MPFS) to be the “applicable payment system.” CMS issued an interim final rule with comment period (IFC) to establish new MPFS payment rates and provide a billing mechanism for hospitals to report and receive payment for nonexcepted items and services furnished by an off-campus PBD.

Certain items and services are excluded from the site-neutral payment policy and may continue to be billed under the OPSS, including items and services furnished: (1) by a dedicated emergency department; (2) by an off-campus PBD that was billing for covered OPD services furnished prior to November 2, 2015 that has not impermissibly relocated or changed ownership; or (3) in a PBD that is “on the campus” or within 250 yards of the hospital or a remote location of the hospital.

Packaging of Items and Services

CMS finalized several changes to the OPSS packing policies:

- **Packaging Based on Date of Service:** Packaged payment of items and services in the OPSS is designated at the code level through status indicators. Two of these status indicators, “Q1” and “Q2,” designate packaging of services with other services furnished on the same date of service. CMS finalized its proposal to align the packaging logic for all of the conditional packaging status indicators and change the logic for status indicators “Q1” and “Q2” so that packaging occurs at the claim level, rather than the date of service.
- **Molecular Pathology Test Exception:** CMS finalized its proposal to expand the current laboratory packaging exception that applies to molecular pathology test codes to advanced diagnostic laboratory tests (ADLTs) that meet the criteria of section 1834A(d)(5)(A) of the Social Security Act (tests that provide an analysis of multiple biomarkers of DNA, RNA, or proteins combined with a unique algorithm to yield a single patient-specific result). These ADLTs will be assigned to status indicator “A” to note separate payment under the CLFS.
- **Unrelated Laboratory Test Exception:** CMS finalized its proposal to discontinue the “unrelated” laboratory test exception and the “L1” modifier, which was used to designate the tests for separate payment. As a result, all laboratory tests, except molecular pathology tests, certain ADLTs, and preventive tests, will be packaged if they appear on a claim with other hospital outpatient services.



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Table 1. Blood and Blood Products

HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
P9010	Whole blood for transfusion	R	9510	9510	\$221.62	\$155.44	-66.18	-30%
P9011	Blood split unit	R	9520	9520	\$102.50	\$131.93	29.43	29%
P9012	Cryoprecipitate each unit	R	9511	9511	\$59.64	\$53.00	-6.64	-11%
P9016	Rbc leukocytes reduced	R	9512	9512	\$184.34	\$185.75	1.41	1%
P9017	Plasma 1 donor frz w/in 8 hr	R	9508	9508	\$72.56	\$73.70	1.14	2%
P9019	Platelets, each unit	R	9515	9515	\$118.03	\$96.45	-21.58	-18%
P9020	Platelet rich plasma unit	R	9516	9516	\$120.16	\$131.63	11.47	10%
P9021	Red blood cells unit	R	9517	9517	\$145.79	\$142.30	-3.49	-2%
P9022	Washed red blood cells unit	R	9518	9518	\$307.46	\$344.22	36.76	12%
P9023	Frozen plasma, pooled, sd	R	9509	9509	\$75.90	\$66.80	-9.10	-12%
P9031	Platelets leukocytes reduced	R	9526	9526	\$116.32	\$125.68	9.36	8%
P9032	Platelets, irradiated	R	9500	9500	\$159.09	\$167.34	8.25	5%
P9033	Platelets leukoreduced irradiated	R	9521	9521	\$162.08	\$162.02	-0.06	0%
P9034	Platelets, pheresis	R	9507	9507	\$425.15	\$411.92	-13.23	-3%
P9035	Platelet pheresis leukoreduced	R	9501	9501	\$488.29	\$499.74	11.45	2%
P9036	Platelet pheresis irradiated	R	9502	9502	\$528.11	\$556.35	28.24	5%
P9037	Platelet pheresis leukoreduced irradiated	R	9530	9530	\$641.85	\$647.12	5.27	1%
P9038	Rbc irradiated	R	9505	9505	\$205.82	\$218.85	13.03	6%
P9039	Rbc deglycerolized	R	9504	9504	\$380.32	\$383.42	3.10	1%
P9040	Rbc leukoreduced irradiated	R	9522	9522	\$267.63	\$266.17	-1.46	-1%
P9043	Plasma protein fraction, 5%, 50ml	R	9514	9514	\$28.28	\$19.76	-8.52	-30%
P9044	Cryoprecipitate reduced plasma	R	9523	9523	\$51.12	\$63.26	12.14	24%
P9048	Plasma protein fraction, 5%, 250ml	R	9519	9519	\$40.33	\$92.63	52.30	130%
P9050	Granulocytes, pheresis unit	E2			\$1,518.48	\$0.00	-1518.48	-100%
P9051	Blood, l/r, cmv-neg	R	9524	9524	\$200.46	\$206.39	5.93	3%
P9052	Platelets, hla-m, l/r, unit	R	9525	9525	\$704.98	\$737.83	32.85	5%
P9053	Platelet pheresis, l/r cmv-neg, irradiated	R	9531	9531	\$443.65	\$618.63	174.98	39%
P9054	Blood, l/r, frozen/deglycerolized/washed	R	9527	9527	\$321.28	\$275.46	-45.82	-14%



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Table 1. Blood and Blood Products								
HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
P9055	Plt, aph/pher, l/r, cmv-neg	R	9528	9528	\$462.48	\$421.82	-40.66	-9%
P9056	Blood, l/r, irradiated	R	9529	9529	\$127.41	\$124.32	-3.09	-2%
P9057	Rbc, frz/deg/wsh, l/r, irradiated	R	9532	9532	\$203.35	\$207.37	4.02	2%
P9058	Rbc, l/r, cmv-neg, irradiated	R	9533	9533	\$249.23	\$249.99	0.76	0%
P9059	Plasma, frz between 8-24hour	R	9513	9513	\$73.08	\$73.97	0.89	1%
P9060	Fr frz plasma donor retested	R	9503	9503	\$51.42	\$67.16	15.74	31%
P9070	Pathogen reduced plasma pool	R	9534	9534	\$73.08	\$73.97	0.89	1%
P9071	Pathogen reduced plasma sing	R	9535	9535	\$72.56	\$73.70	1.14	2%
P9072	Plate path red/rapid bac tes	R	9536	9536	\$641.85	\$647.12	5.27	1%



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Table 2. Transfusion, Apheresis, and Stem Cell Procedures

HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
36430	Blood transfusion service	S	5241	5241	\$349.14	\$354.39	5.25	2%
36440	Bl push transfuse 2 yr/<	S	5241	5241	\$349.14	\$354.39	5.25	2%
36450	Bl exchange/transfuse nb	S	5241	5241	\$349.14	\$354.39	5.25	2%
36455	Bl exchange/transfuse non-nb	S	5241	5241	\$349.14	\$354.39	5.25	2%
36456	Prtl exchange transfuse nb	S		5241	\$0.00	\$354.39	354.39	100%
36460	Transfusion service fetal	S	5241	5241	\$349.14	\$354.39	5.25	2%
36511	Apheresis wbc	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
36512	Apheresis rbc	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
36513	Apheresis platelets	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
36514	Apheresis plasma	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
36515	Apheresis adsorp/reinfuse	S	5281	5243	\$3,015.06	\$3,186.48	171.42	6%
36516	Apheresis selective	S	5281	5243	\$3,015.06	\$3,186.48	171.42	6%
36522	Photopheresis	S	5281	5243	\$3,015.06	\$3,186.48	171.42	6%
38206	Harvest auto stem cells	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
38207	Cryopreserve stem cells	S	5241	5241	\$349.14	\$354.39	5.25	2%
38208	Thaw preserved stem cells	S	5241	5241	\$349.14	\$354.39	5.25	2%
38209	Wash harvest stem cells	S	5241	5241	\$349.14	\$354.39	5.25	2%
38210	T-cell depletion of harvest	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
38211	Tumor cell deplete of harvst	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
38212	Rbc depletion of harvest	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
38213	Platelet deplete of harvest	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
38214	Volume deplete of harvest	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%
38215	Harvest stem cell concentrte	S	5271	5241	\$1,047.76	\$354.39	-693.37	-66%



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Table 2. Transfusion, Apheresis, and Stem Cell Procedures

HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
38220	Bone marrow aspiration	J1	5073	5072	\$941.98	\$1,236.10	294.12	31%
38221	Bone marrow biopsy	J1	5073	5072	\$1,414.28	\$1,236.10	-178.18	-13%
38230	Bone marrow harvest allogeneic	S	5281	5242	\$3,015.06	\$1,098.22	-1916.84	-64%
38232	Bone marrow harvest autolog	S	5281	5243	\$3,015.06	\$3,186.48	171.42	6%
38240	Transplnt allo hct/donor	J1	5281	5244	\$3,015.06	\$27,752.75	24737.69	820%
38241	Transplnt autol hct/donor	S	5281	5242	\$3,015.06	\$1,098.22	-1916.84	-64%
38242	Transplnt allo lymphocytes	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
38243	Transplj hematopoietic boost	S	5271	5242	\$1,047.76	\$1,098.22	50.46	5%
88184	Flowcytometry/ tc 1 marker	Q2	5673	5673	\$209.42	\$183.93	-25.49	-12%
88185	Flowcytometry/tc add-on	N						
88187	Flowcytometry/read 2-8	B						
88188	Flowcytometry/read 9-15	B						
88189	Flowcytometry/read 16 & >	B						
G0364	Bone marrow aspirate & biopsy	N						



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Table 3. Transfusion Laboratory Services

HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
86850	Rbc antibody screen	Q1	5671	5671	\$47.75	\$39.68	-8.07	-17%
86860	Rbc antibody elution	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86870	Rbc antibody identification	Q2	5673	5673	\$209.42	\$183.93	-25.49	-12%
86880	Coombs test direct	Q1	5733	5732	\$55.94	\$28.37	-27.57	-49%
86885	Coombs test indirect qual	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86886	Coombs test indirect titer	Q1	5672	5672	\$102.20	\$103.83	1.63	2%
86890	Autologous blood process	Q1	5681	5673	\$209.42	\$183.93	-25.49	-12%
86891	Autologous blood op salvage	Q1	5681	5674	\$440.53	\$453.97	13.44	3%
86900	Blood typing serologic abo	Q1	5733	5733	\$55.94	\$54.53	-1.41	-3%
86901	Blood typing serologic rh(d)	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%
86902	Blood type antigen donor ea	Q1	5681	5673	\$103.02	\$183.93	80.91	79%
86904	Blood typing patient serum	Q1	5733	5732	\$30.51	\$28.37	-2.14	-7%
86905	Blood typing rbc antigens	Q1	5681	5673	\$103.02	\$183.93	80.91	79%
86906	Bld typing serologic rh phnt	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%
86920	Compatibility test spin	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86921	Compatibility test incubate	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86922	Compatibility test antiglob	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86923	Compatibility test electric	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86927	Plasma fresh frozen	S	5693	5673	\$209.42	\$183.93	-25.49	-12%
86930	Frozen blood prep	Q1	5681	5673	\$103.02	\$183.93	80.91	79%
86931	Frozen blood thaw	Q1	5733	5673	\$209.42	\$183.93	-25.49	-12%
86932	Frozen blood freeze/thaw	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%



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Table 3. Transfusion Laboratory Services

HCPCS Code	Short Descriptor	2017 SI	2016 APC	2017 APC	2016 Payment	Final 2017 Payment	\$ Change	% Change
86945	Blood product/irradiation	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%
86950	Leukocyte transfusion	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86960	Vol reduction of blood/prod	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86965	Pooling blood platelets	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86970	Rbc pretx incubatj w/chemicl	Q1	5733	5732	\$30.51	\$28.37	-2.14	-7%
86971	Rbc pretx incubatj w/enzymes	Q1	5681	5673	\$103.02	\$183.93	80.91	79%
86972	Rbc pretx incubatj w/density	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86975	Rbc serum pretx incubj drugs	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%
86976	Rbc serum pretx id dilution	Q1	5732	5732	\$30.51	\$28.37	-2.14	-7%
86977	Rbc serum pretx incubj/inhib	Q1	5681	5672	\$103.02	\$103.83	0.81	1%
86978	Rbc pretreatment serum	Q1	5732	5731	\$12.70	\$12.61	-0.09	-1%
86985	Split blood or products	Q1	5734	5672	\$102.20	\$103.83	1.63	2%
86999	Transfusion procedure	Q1	5731	5731	\$12.70	\$12.61	-0.09	-1%