

## **Summary: CY 2019 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Proposed Rule**

### **Overview**

- On July 25, 2018, the Centers for Medicare and Medicaid Services (CMS) released their proposed rule for Medicare payments made in hospital outpatient departments (HOPD) and ambulatory surgery centers (ASCs) in 2019.
- In the proposed rule, CMS outlined an evaluation the agency conducted to assess the impact of its policy to “package” the cost of certain drugs with the cost of the overall surgical procedure in both the HOPD and ASC settings.
- CMS concluded that a payment policy change could help facilitate the appropriate use of non-opioid pain management in the ASC setting. The agency is also seeking comment on the need for further incentive of non-opioids in the HOPD setting.

### **Hospital Outpatient Department (HOPD)**

- CMS concluded that the use of non-opioid pain management drugs continued to grow, albeit at a lower rate, after CMS’ decision to package their cost with the cost of the surgery.
- CMS found that the use of EXPAREL, a non-opioid pain management drug, increased 183% (2.3M units to 6.5M units) between 2013 and 2015, while it was not subject to the packaging policy. After the packaging policy went into effect in 2015, over the next two years, use of EXPAREL increased by 18% (6.5M units to 7.7M units).
- In other words, under the packaging policy, the growth rate of EXPAREL utilization fell to a tenth of what it was under pass through status.
- CMS did not propose changes to the OPPS packaging policy at this time.
- However, CMS is seeking public comments on whether separate payment would further incentivize appropriate use of non-opioid pain management drugs in the hospital outpatient setting, and specifically seeks peer-reviewed evidence that such increased utilization would lead to a decrease in opioid use and addiction among Medicare beneficiaries.

### **Ambulatory Surgery Centers (ASC)**

- CMS concluded that the use of non-opioid pain management drugs in the ASC setting have been impacted by the packaging policy.
- CMS found that the use of EXPAREL decreased by 70% from 2015-17, after pass-through expired.
- CMS is proposing to pay separately for the cost of non-opioid pain management drugs in the ASC setting for CY 2019, “to address the decreased utilization of these drugs and to encourage use of these types of drugs rather than prescription opioids.”
- CMS is requesting further feedback that “non-opioid alternatives, such as EXPAREL, in the outpatient setting actually do lead to a decrease in prescription opioid use and addiction and are seeking public comments containing evidence that demonstrate whether and how such non-opioid alternatives affect prescription opioid use during or after an outpatient visit or procedure... the reduction or avoidance of prescription opioids would be the criteria we would seek to determine whether separate payment is warranted for CY 2019.”