ASTRO
TARGETING CANCER CARE

251 18th St. South, 8th Floor
Arlington, VA 22202

Main: 703.502.1550 · Fax: 703.502.7852
www.astro.org · www.rtanswers.org

2021 Hospital Outpatient Prospective Payment System – Proposed Rule Summary

On August 4, 2020, the Centers for Medicare & Medicaid Services (CMS) released the 2021 Hospital Outpatient Prospective Payment System (HOPPS) proposed rule, which includes modest payment increases for radiation therapy services effective January 1, 2021. Comments on the proposed rule are due October 5, 2020.

In the Medicare hospital outpatient environment, hospital reimbursement is based on Ambulatory Payment Classifications or APCs. CMS assigns CPT codes to an APC based on clinical and resource use similarity. All services in an APC are reimbursed at the same rate. Cost data collected from OPPS claims are used to calculate rates. Certain services are considered ancillary and their costs are packaged into the primary service. Packaged services do not receive separate payment. For example, in the hospital outpatient environment imaging is not paid separately when reported with treatment delivery services. Below is a summary of key issues impacting radiation oncology.

Proposed Conversion Factor Update

CMS proposes increasing the payment rates under the OPPS by an Outpatient Department (OPD) fee schedule increase factor of 2.6 percent. This increase factor is based on the hospital inpatient market basket percentage increase of 3 percent for inpatient services paid under the hospital inpatient prospective payment system (IPPS), minus a 0.4 percentage point adjustment for multifactor productivity (MFP). Based on this update, CMS estimates that proposed total payments to HOPPS providers (including beneficiary cost-sharing and estimated changes in enrollment, utilization, and case-mix), for 2021 will be approximately $84 billion, an increase of $7.5 billion compared to 2020 HOPPS payments.

Ambulatory Payment Classifications (APC)

CMS is proposing to make modest changes to the payment rates of traditional radiation oncology APCs in the 2021 HOPPS proposed rule. Below is a list of radiation oncology APCs with their proposed 2021 payment rates:

Radiation Oncology - Ambulatory Payment Classification Proposed 2021 Payment Rates				
APC	Descriptor	2020 Rate	2021 Proposed Rate	% Change
5611	Level 1 Therapeutic Radiation Treatment Preparation	$127	$130	2%
5612	Level 2 Therapeutic Radiation Treatment Preparation	$335	$346	3%
5613	Level 3 Therapeutic Radiation Treatment Preparation	$1,245	$1,291	4%
5621	Level 1 Radiation Therapy	$123	$125	2%
5622	Level 2 Radiation Therapy	$236	$248	5%
5623	Level 3 Radiation Therapy	$539	$554	3%
5624	Level 4 Radiation Therapy - HDR Brachytherapy	$740	$735	-1%
5625	Level 5 Radiation Therapy - Proton Therapy	$1,247	$1,308	5%
5626	Level 6 Radiation Therapy - SBRT	$1,768	$1,760	0%

Comprehensive Ambulatory Payment Classifications (C-APCs)

CMS continues to expand the Comprehensive Ambulatory Payment Classification (C-APC) methodology by proposing two new C-APCs. These new C-APCs include the following: C-APC 5378 *Level 8 Urology and Related Services* and C–APC 5465 *Level 5 Neurostimulator and Related Procedures*. The addition of these C-APCs increases the total number of C-APCs to 69. Under the C-APC policy, CMS provides a single payment for all services on the claim regardless of the span of the date(s) of service. Conceptually, the C-APC is designed so there is a single primary service on the claim, identified by the status indicator (SI) of "J1". All adjunctive services provided to support the delivery of the primary service are included on the claim. While ASTRO supports policies that promote efficiency and the provision of high-quality care, we have long expressed concern that the C-APC methodology lacks the appropriate charge capture mechanisms to accurately reflect the services associated with the C-APC.

In the 2021 HOPPS proposed rule, CMS does not propose to make any modifications to existing radiation oncology C-APCs. Below is a comparison table of the 2020 payment rates and proposed 2021 payment rates for the radiation oncology services in several key C-APCs:

C-APC 5627 Level 7 Radiation Therapy				
CPT Code	Descriptor	2020 Rate	2021 Proposed Rate	% Change
77371	SRS Multisource	$7,942	$7,938	0%
77372	SRS Linear Based	$7,942	$7,938	0%
77424	IORT delivery by x-ray	$7,942	$7,938	0%
77425	IORT delivery by electrons	$7,942	$7,938	0%

C-APC 5092 Level 2 Breast/Lymphatic Survery and Related Procedures				
19298	Place breast rad tube/caths	$5,237	$5,621	7%
C-APC 5093 Level 3 Breast/Lymphatic Survery and Related Procedures				
19296	Place po breast cath for rad	$8,135	$9,036	11%
C-APC 5113 Level 3 Musculoskeletal Procedures				
20555	Place ndl musc/tis for rt	$2,737	$2,882	5%
C-APC 5165 Level 5 ENT Procedures				
41019	Place needles h&n for rt	$4,850	$5,151	6%
C-APC 5302 Level 2 Upper GI Procedures				
43241	Egd tube/cath insertion	$1,557	$1,646	6%
C-APC 5375 Level 5 Urology and Related Services				
55875	Transperi needle place pros	$4,231	$4,488	6%
C-APC 5415 Level 5 Gynecologic Procedures				
55920	Place needles pelvic for rt	$4,271	$4,491	5%
57155	Insert uteri tandem/ovoids	$4,271	$4,491	5%
58346	Insert heyman uteri capsule	$4,271	$4,491	5%

In the 2020 HOPPS final rule, CMS reassigned CPT codes 57155 *Insertion of uterine tandem and/or vaginal ovoids for clinical brachytherapy* and 58346 *Insertion of Heyman capsules for clinical brachytherapy* from C-APC 5414 *Level 4 Gynecologic Procedures* to C-APC 5415 *Level 5 Gynecologic Procedures*. In the 2021 HOPPS, these codes continue to see modest increases in reimbursement (5 percent). However, ASTRO remains concerned that these services are still undervalued. Despite efforts to encourage the Agency to value these services more appropriately, CMS remains committed to the methodology and does not intend to modify it for radiation oncology services. ASTRO is disappointed by this and will continue to educate CMS on the impact the C-APC methodology has on radiation oncology services, particularly brachytherapy.

Two-Times Rule Exception

CMS proposes to continue the two-times rule exception for APC 5612 *Level 2 Therapeutic Radiation Treatment Preparation* and includes a new two-times rule exception for APC 5627 *Level 7 Radiation Therapy*. CMS established two-times rule criteria within the APC methodology that requires that the highest calculated cost of an individual procedure categorized to any given APC cannot exceed two times the calculated cost of the lowest-costing procedure categorized to that same APC. However, the Agency can exempt any APC from the two-times rule for any of the following reasons:

- Resource homogeneity
- Clinical homogeneity
- Hospital concentration
- Frequency of service (volume)
- Opportunity for upcoding and code fragments

Brachytherapy Sources

In the 2021 HOPPS proposed rule, CMS is proposing to base the payment rates for brachytherapy sources on the geometric mean costs for each source, which is consistent with the methodology used for other services under HOPPS. Additionally, the Agency will use the costs derived from 2019 claims data to set the proposed 2021 payment rates for brachytherapy sources. However, C2645 *Brachytherapy planar source, palladium-103, per square millimeter* only had one claim in 2019 with over 4,000 units at a rate of $1.07 per mm2, which CMS does not believe is adequate, so the Agency proposes to continue to use 2018 claims data that established the rate of $4.69 per mm2 in 2021.

CMS proposes to pay for HCPCS codes C2698 *Brachytherapy source, stranded, not otherwise specified* and C2699 *Brachytherapy source, non-stranded, not otherwise specified*, at a rate equal to the lowest stranded or nonstranded prospective payment rate for such sources, respectively on a per source basis. For 2021, the proposed rates are $38.38 for C2698 and $32.32 for C2699. This is a 6 percent increase in payment for C2698 from the 2020 rate of $35.96 and a 11 percent decrease for C2699 from the 2020 rate of $36.45.

CMS continues to invite recommendations for new codes to describe new brachytherapy sources.

Additional information about the 2021 HOPPS proposed rule can be found at the following links:

A display copy of the proposed rule can be found at:

https://s3.amazonaws.com/public-inspection.federalregister.gov/2020-17086.pdf

The addenda relating to the HOPPS proposed rule are available at:

https://www.cms.gov/medicaremedicare-fee-service-paymenthospitaloutpatientppshospital-outpatient-regulations-and-notices/cms-1736-p

A fact sheet on this proposed rule is available at:

https://www.cms.gov/newsroom/fact-sheets/cy-2021-medicare-hospital-outpatient-prospective-payment-system-and-ambulatory-surgical-center