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Legislative Action Impacting Medicare Provider-Based Payment Means Big Change for Hospitals

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Crain's Cleveland Business

Jolie Havens, the chair of the firm's health care group, and Stephanie Angeloni, an associate in the health care group, co-authored an article for *Crain's Cleveland Business* titled "Legislative Action Impacting Medicare Provider-Based Payment Means Big Change for Hospitals." The article focused on language that was included in a 2015 budget agreement that impacts Medicare provider-based payments.

The article states:

"Most hospitals are now aware of the significant Medicare payment change on the way for certain hospital-based locations, courtesy of the Bipartisan Budget Act of 2015. The act was signed into law at record speed (site payment neutrality has been a topic of debate for years) and with little fanfare on Nov. 2, 2015. Yet, it potentially could pose a host of problems and confusion for the healthcare industry.

As part of this measure, beginning Jan. 1, 2017, most items and services furnished by new, off-campus hospital outpatient departments (OPDs) will no longer be reimbursed under the Outpatient Prospective Payment System (OPPS). Instead, those OPDs will be reimbursed under the lower paying Physician Fee Schedule or Ambulatory Surgical Center Payment System (assuming the site is properly enrolled in Medicare and otherwise meets the requirements under those reimbursement systems).

So what does this change really mean for hospital reimbursement? It means hospitals will get paid materially less for delivering most services at new off-campus OPDs going forward."

To read the entire article, visit the *Crain's Cleveland Business* [website](#).