

Lowering Costs for Cancer Patients: The Benefits of Site-Neutral Payment Reform

November 8, 2023

Why we need site-neutral payments



How much are you willing to pay?



\$2.00



\$4.00



“I receive injections for neck pain every three months and was forced to change providers because my **out-of-pocket costs rose by \$1,000** after my provider’s office was converted to a hospital outpatient department for billing purposes. My provider made it clear to me I was not the only patient experiencing this affordability issue.”



Marcelle Maginnis
Patient of Inova provider

How site-neutral payments benefit patients

Same office, same provider, same patient, same service...vastly different costs

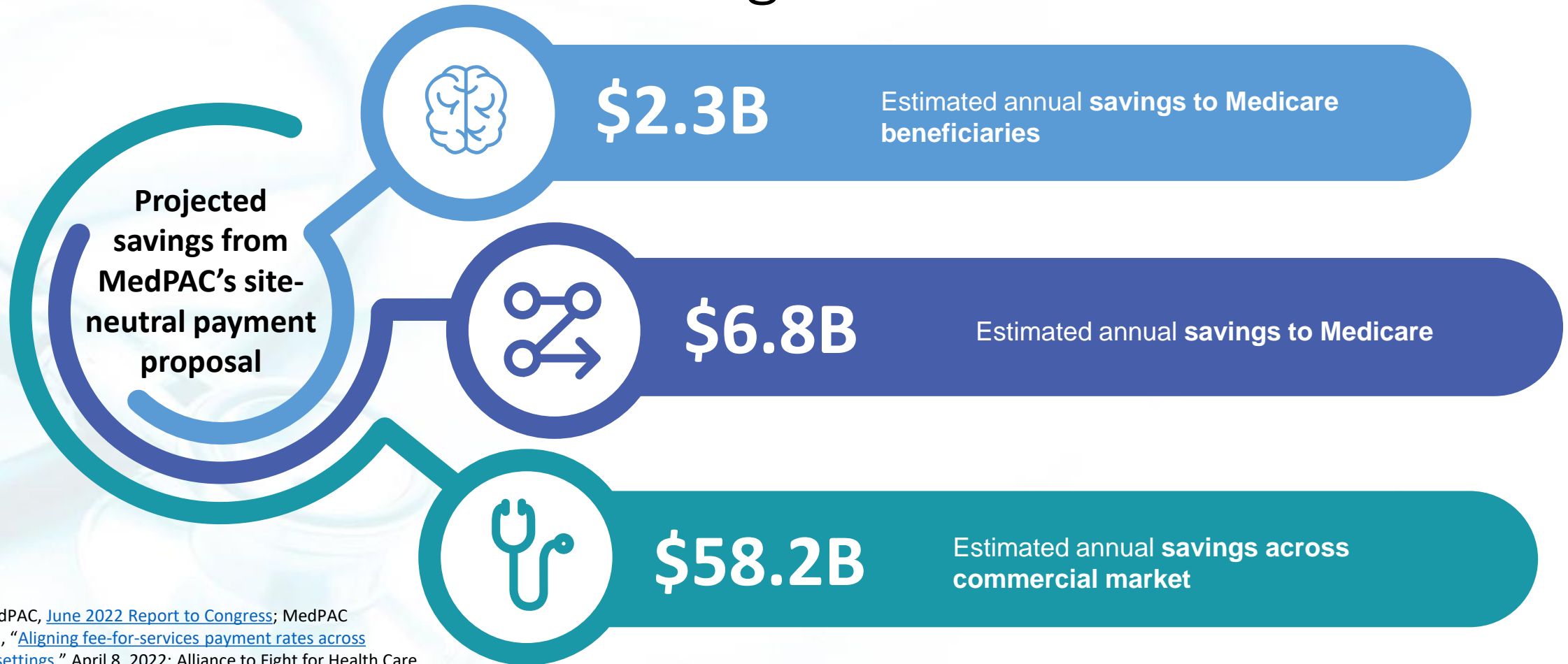
Services	Physician Office rate (November 2022)	HOPD rate (February 2023)	Percentage difference
Chemodenervation muscle neck unilat for dystonia (64616)	\$379.79	\$1,223	+222%
Needle electromyographic (95874)	\$229.50	\$510.00	+122%
Patient costs	\$300.00	\$1,300	+333%

“I receive injections for neck pain every three months and was forced to change providers because my **out-of-pocket costs rose by \$1,000** after my provider’s office was converted to a hospital outpatient department for billing purposes. My provider made it clear to me I was not the only patient experiencing this affordability issue.”



Marcelle Maginnis
Patient of Inova provider

Site-neutral payment policies could lead to billions in annual savings



Sources: MedPAC, [June 2022 Report to Congress](#); MedPAC presentation, "[Aligning fee-for-services payment rates across ambulatory settings](#)," April 8, 2022; Alliance to Fight for Health Care presentation, "The Untapped Potential of Site-Neutral Payment Reform," February 1, 2023

ACS CAN study shows site-neutral payments impact on cancer care

Top 3 findings

- ACS CAN's study calculated difference in health care and patient out-of-pocket costs for a hypothetical patient with traditional Medicare coverage who is diagnosed and treated for breast cancer during 2023 using the following services:
 - Diagnostic mammogram, chest CT scan, PET/CT scans, HR/PR/HER2 testing, breast MRI, bloodwork, specialist visits
 - Chemotherapy: liposomal doxorubicin (4 cycles), paclitaxel (4 cycles), gemcitabine (4 cycles), and eribulin (1 cycle)
 - Monthly oncology visits

1

Services cost 3-6x higher in HOPD setting

Cancer services provided in HOPDs were reimbursed at a rate that was 3-6 times higher than a physician's office.



2

\$1,500 in patient out-of-pocket cost savings

The hypothetical patient would have saved \$1,500 in OOP costs over the course of a year if site-neutral payment had been implemented.



3

\$7,750 in Medicare Part B savings

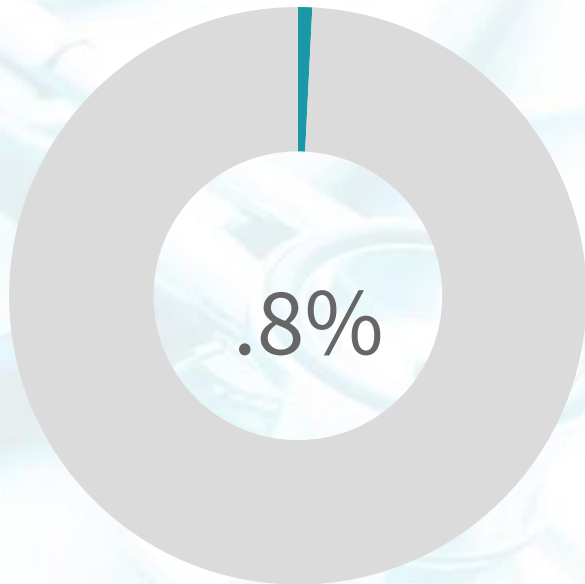
Medicare Part B would have spent \$7,750 less if site-neutral payment was in place for the patient.



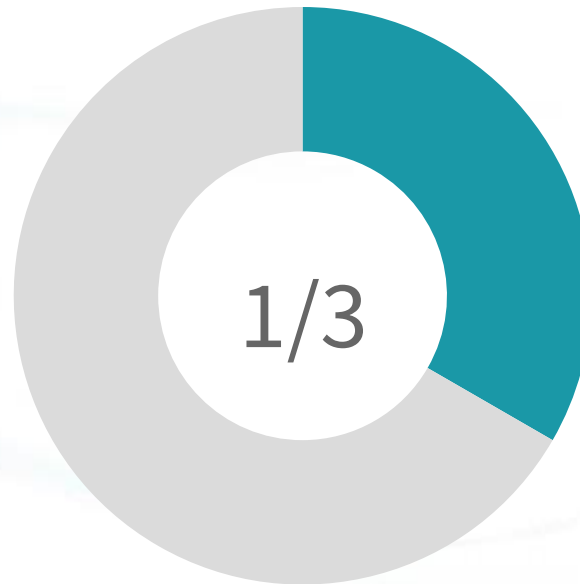
Scope of current site-neutral policy limited

Coverage of current site-neutral policies is extremely limited

Percent of total OPPS spending provided in off-campus PBDs covered by BBA 2015 requirements



Office visits provided in HOPDs that occur in off-campus PBDs



MedPAC, Report to Congress: Medicare and the Health Care Delivery System, June 2022.

Existing provider exceptions

- On-campus outpatient departments
- “Grandfathered” departments
- Facilities paid under different reimbursement systems (i.e.: Critical Access Hospitals)
- Inpatient remote locations of a hospital.
- Dedicated emergency departments
- Mid-build facilities*
- Certain cancer centers*
- Rural Sole Community Hospitals*
- Rural Emergency Hospitals*

* Since BBA, Congress has enacted additional exceptions

How fair billing policies benefit patients

What is fair billing?

- Under current payment policies hospitals that own outpatient facilities can use the main hospital's NPI and address on all claim forms -- even when care is provided outside the hospital at a hospital-owned doctor's office or facility.
- This makes it look like the care was provided within the hospital's walls even if the care was provided at an off-campus HOPD miles away from the main hospital.
- **Fair billing policies would require each individual off-campus HOPD to have their own unique NPI**, allowing patients and payers to be able to tell exactly where the care was provided.

How does fair billing benefit patients?

- Fair billing means patients will have more insight in to whether they are appropriately charged for visits based on location, empowering them to dispute erroneous fees, unfair add-on costs, hospital upcharges and other junk fees.
- Fair billing will lower patients' out-of-pocket expenses for medical services they receive, by allowing Medicare and private payers to correctly reimburse providers.
- Fair billing has the potential to improve the ability to track quality outcomes by care location, which eventually could be used to help patients shop for quality care at a lower cost.

Bills to address high outpatient care costs

Legislation	Site-neutral payment policies	Honest billing policies	Budgetary impact
Advanced out of committee			
Lower Costs, More Transparency Act (HR 5378) <i>Tri-Committee package with policies that advanced out of E&C, W&M, and Workforce Committees</i>	Beginning 2025, phases in over four years site neutral payment for drug administration services in off-campus OPDs, paid under the applicable payment system. Delays by one-year site-neutral payments for providers in rural areas or health professional shortage areas, and certain cancer centers, with application in 2029.	Beginning Jan. 1, 2026, would require Medicare hospitals to include a separate identification number for off-campus outpatient departments.	CBO projected site-neutral and honest billing policies in HR 5378 would save a combined \$4.141 million
Bipartisan Primary Care and Health Workforce Act (S. 2840) <i>Advanced out of Senate HELP Committee</i>	Beginning Jan. 1, 2026, bars facility fees for certain items and services, including E/M services, outpatient behavioral health services (excluding PHP, IOP, and certain other services), and telehealth services.		
Introduced			
SITE Act (S 1869) <i>Introduced, referred to Senate Finance Committee</i>	Beginning 2023, sunsets exceptions to the 2015's Bipartisan Budget Act site-neutral payment requirements; Starting in 2025, reduce by 30% payment amount for applicable dedicated EDs; Covers off-campus EDs located 6 or fewer miles from another hospital, CAH, REH.	Beginning Jan. 1, 2025, Medicare hospitals with an off-campus OPD will include the UHI in any submitted claims form. Other providers/facilities may not submit a claim to a group health plan or issuer and may not bill an individual or hold liable unless they are billed using a separate UHI.	
Preventing Hospital Overbilling of Medicare Act (HR 2863) <i>Introduced, referred to E&C Health Subcommittee</i>	Beginning in 2023, sunsets exceptions to the 2015's Bipartisan Budget Act site-neutral payment requirements; Removes site-neutral exception for off-campus EDs starting 1/1/24.	Beginning Jan. 1, 2024, Medicare hospitals with an off-campus OPD will include UHI on all claims. Other providers/facilities may not submit a claim to a group health plan or issuer and may not bill an individual or hold liable unless they are billed using a separate UHI.	
FAIR Act (HR 3417) <i>Introduced, referred to E&C Health Subcommittee</i>		Beginning Jan. 1, 2025, Medicare hospitals with an off-campus OPD will include UHI on all claims. Other providers/facilities may not submit a claim to a group health plan or issuer and may not bill an individual or hold liable unless they are billed using a separate UHI.	

ACS CAN study shows site-neutral payments impact on cancer care

Methodology

- The ACS CAN developed a hypothetical patient profile, based on actual service utilization and real patient experiences, for an individual with traditional Medicare coverage who is diagnosed and treated for breast cancer during 2023.
- ACS CAN calculated the difference in overall health care costs and patient out-of-pocket costs if the hypothetical patient received:
 - Diagnostic mammogram, chest CT scan, PET/CT scans, HR/PR/HER2 testing, breast MRI, bloodwork, specialist visits
 - Chemotherapy: liposomal doxorubicin (4 cycles), paclitaxel (4 cycles), gemcitabine (4 cycles), and eribulin (1 cycle)
 - Monthly oncology visits

Difference in Reimbursement for Select Cancer Treatment Services

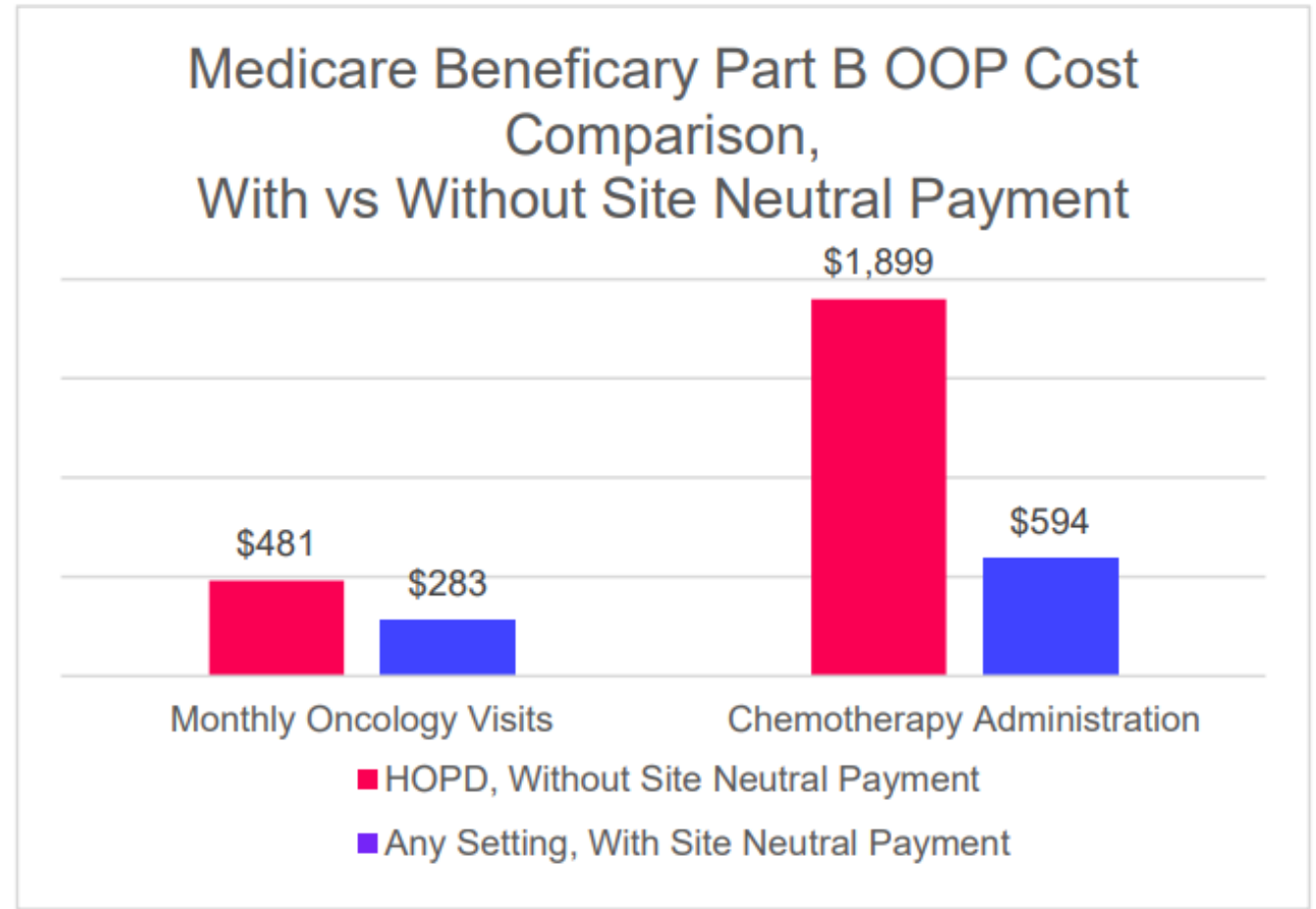
CPT Code	Description	Physician Office Reimbursement	HOPD Reimbursement	Ratio HOPD:PO
96413	Chemotherapy administration, IV infusion	\$132.16	\$332.62	2.52
96365	Therapeutic, prophylactic, and diagnostic Infusion	\$ 64.72	\$ 206.57	3.19
96374	Therapeutic, prophylactic, or diagnostic injection; IV push	\$ 37.61	\$ 206.57	5.49
96360	IV Infusion, hydration	\$ 32.87	\$ 206.57	6.28

Source: American Cancer Society Cancer Action Network, "Examining the Impact of Site Neutral Payment on Costs for Cancer Care," Oct. 19, 2023

Estimated out-of-pocket patient savings from site-neutral payments

\$1,500

The hypothetical cancer patient would have saved \$1,500 in OOP costs if site-neutral payments were applied



Source: American Cancer Society Cancer Action Network, "Examining the Impact of Site Neutral Payment on Costs for Cancer Care," Oct. 19, 2023