



KHA's Federal Advocate

July 17, 2024

This week, *Federal Advocate* provides an update on the newly released Outpatient Prospective Payment System and Physician Fee Schedule proposed rules for calendar year 2025. For an update on the federal budget and elections, see Chad Austin's *President's Perspective* in this week's *Current Report*.

CMS Releases OPPTS Proposed Rule

On July 10, 2024, the Centers for Medicare & Medicaid Services released the [CY 2025 proposed rule](#) for the Medicare OPPTS and Ambulatory Surgical Center Payment System. The proposed rule reflects the annual updates to the Medicare fee-for-service outpatient payment rates and policies. In addition to the regular updates to the market basket, key highlights include:

- OPPTS overall rate change increase of 2.6 percent.
- It decreases the time allowed for traditional Medicare prior authorization requests to be decided from ten business days to seven calendar days.
- Pays separately for diagnostic radiopharmaceuticals with per-day costs above a threshold of \$630.
- Adopts three new measures relating to health equity to the Rural Emergency Hospital Quality Reporting Program and Hospital Outpatient Quality Reporting Program.
- Removes two measures in the OQR program and adds one new patient-reported outcome measure to evaluate the patient's understanding of information related to recovery after outpatient surgery.
- Barring Congressional action, the ability to bill for the following services administered via telehealth expire - outpatient therapies, diabetes self-management training and medical nutrition therapy.
- Outlines three new exceptions to the four walls requirements for Medicaid clinic services, including for clinic services furnished by a clinic located in a rural area.
- A new obstetrical services conditions of participation is enacted.
 - New requirements for hospitals and Critical Access Hospitals that offer OB services include:
 - Providing services that are "well organized and provided in accordance with nationally recognized acceptable standards of practice."

- Labor and delivery rooms must be supervised by a registered nurse, certified nurse midwife, nurse practitioner, physician assistant, or physician.
- Hospital OB privileges must be delineated for all practitioners providing OB care in accordance with their competencies.
- L&D rooms must have certain basic resuscitation and safety equipment readily available.
- Develop policies and procedures for relevant OB staff to be trained on topics to improve the delivery of maternal care.
- Quality Assurance and Performance Improvement programs must be used to assess and improve health outcomes and disparities among OB patients, among other updates.
- New requirements for all hospitals and CAHs that provide emergency services, even if they do not offer OB services, include:
 - Maintaining protocols to “meet emergency needs per the complexity and scope of emergency services offered.”
 - Training applicable emergency services personnel annually.
 - Providing a call-in system for each patient in each emergency services treatment area.
 - Maintaining protocols for transfers among units of the hospital or to other hospitals.
 - Training staff on transfer protocols.

Unless otherwise noted, program changes would be effective on or after Jan. 1, 2025.

Comments on the proposed rule are due to CMS by Sept. 9, 2024, and can be submitted electronically at <http://www.regulations.gov> by using the website’s search feature to search for file code “CMS-1809-P.”

Please contact [Jaron Caffrey](#) or [Shannan Flach](#) if you have questions or feedback that you would like KHA to include in our comment letter to CMS.

CMS Releases Physician Fee Schedule Proposed Rule

On July 10, 2024, the Centers for Medicare & Medicaid Services released the [calendar year 2025 proposed rule](#) for updates to the Physician Fee Schedule payments for CY 2025 and Medicare Shared Savings Program and Quality Payment Program. Key highlights include:

- Conversion factor cut by 2.8 percent to \$32.36.
- New payment for caregiver training for direct care services and supports and caregiver behavior management. These caregiver training services can be furnished via telehealth.
- Permanently allow for audio-only telehealth services.
- Delaying the in-person requirement before receiving behavioral health care via telehealth until 2026.

- Extending payment for non-behavioral health visits furnished via telehealth, including audio-only, through Dec. 31, 2025, for Rural Health Clinics and Federally Qualified Health Clinics.
- Allowing payment for the new G2211 complexity add-on code at the same visit with the same practitioner as an annual wellness visit, vaccine administration or any Part B preventive service furnished in the office or outpatient setting.
- Adding three new bundled codes to support Advanced Primary Care Management services. The scope of service elements and practice level capabilities are very similar to the Chronic Care Management and Principal Care Management services.
- Adding six measures to the MSSP measure set titled “Alternative Payment Model Performance Pathway” in alignment with the CMS Universal Foundation.
- Adding six new Merit-Based Incentive Payment System Value Pathways for CY 2025: ophthalmology, dermatology, gastroenterology, pulmonology, urology and surgical care.

Comments on the proposed rule are due to CMS by Sept. 9, 2024, and can be submitted electronically at <http://www.regulations.gov> by using the website’s search feature to search for file code “CMS-1807-P.”

Please contact [Jaron Caffrey](#) or [Shannan Flach](#) if you have questions or feedback that you would like KHA to include in our comment letter to CMS.