

K&L GATES

**TRIAGE**: RAPID LEGAL LESSONS FOR BUSY  
HEALTH CARE PROFESSIONALS



**Segment 1 of 4**

**Section 603 Site-Neutral  
Payment: Overview and  
Payment Mechanism**

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## SECTION 603 OF THE BIPARTISAN BUDGET ACT OF 2015

- Signed into law on November 2, 2015
- No Outpatient Prospective Payment System (“OPPS”) reimbursement as of January 1, 2017 for certain off-campus hospital outpatient provider-based departments (“PBDs”) that did not bill under OPPS for covered hospital outpatient services furnished before November 2, 2015
- Goal to eliminate differential payments for ambulatory services based on delivery location

## EXCEPTED PROVIDER-BASED DEPARTMENTS

- Site-neutral payment rule does not apply to:
  - Dedicated Emergency Departments
  - PBD located on the main hospital “campus”
  - PBD located within 250 yards of a “remote location”
  - PBD was furnishing services under OPPS before November 2, 2015
- PBD must not impermissibly relocate or change ownership
- Other excepted PBDs recently added in 21st Century Cures Act

# SITE-NEUTRAL PAYMENT PROCESS

- Submit on institutional claim and append new PN modifier on lines for nonexcepted items and services
- Claims will go through the Outpatient Code Editor and into the OPPS PRICER to be paid
- MPFS payment rate generally 50 percent of OPPS rate
- CMS solicited comments for CY 2019 and beyond
  - May switch to a payment methodology similar to what was initially proposed for CY 2017
  - Alternatively, may continue to utilize site-neutral payment methodology implemented by the interim final rule with comment period

## Today's Presenter



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