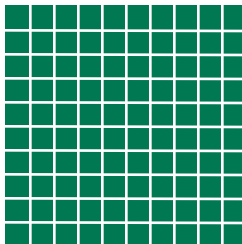


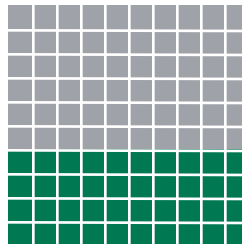


HOSPITAL OUTPATIENT DEPARTMENT SITE-NEUTRAL REDUCTIONS

The Bipartisan Budget Act of 2015 subjected new off-campus, hospital-based outpatient departments to deep site-neutral payment reductions without a policy basis. These clinics, referred to as “non-excepted” sites, are now paid at 40% of the Medicare Outpatient Prospective Payment System rates for all services — a 60% payment reduction intended to align payment for services at these HOPD sites with physician payment levels.



**100% of the OPPS Rate
Before Site-Neutral Cuts**



**40% of the OPPS Rate
After Site-Neutral Cuts**

Congress protected (“excepted”) off-campus HOPDs that were open before Nov. 2, 2015. However, CMS is ignoring the BBA’s congressional intent and in 2019 expanded site neutral-payment reductions to all off-campus HOPDs, regardless of excepted or non-excepted status, for basic clinic visits. These services represent the largest share of the services provided at off-campus HOPDs in New York state and nationally.

This new policy reduces funding to New York’s off-campus HOPDs by \$816 million over the next decade. Additionally, in an unprecedented move, CMS has justified implementing the expansion of site-neutral payment cuts to excepted sites in a non budget-neutral way, meaning that savings from this policy will not be reinvested into the hospital Medicare OPPS as required by law.

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These cuts threaten access to care in urban, suburban and rural communities alike. Hospital clinics are often the only place for patients, including those covered by Medicare and Medicaid, to access needed physician services. Moreover, the impact of this payment reduction will grow over time as new off-campus HOPDs are opened to serve community needs. Some grandfathered sites have even begun to lose their protected status simply because they were forced to change their address due to absentee landlord issues or a need to secure new clinic space to better serve their communities.

HANYS urges members of Congress to support the Protecting Local Access to Care for Everyone Act (H.R. 2552), legislation introduced by Reps. Derek Kilmer (D-WA) and Elise Stefanik (R-NY) that would prevent CMS' site-neutral payment cuts to grandfathered facilities.

HANYS asks Congress to reject any new efforts to expand the site-neutral concept to other provider settings.