



CMS NEWS

FOR IMMEDIATE RELEASE

November 1, 2017

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CMS Finalizes Policies that Lower Out-of-Pocket Drug Costs and Increase Access to High-Quality Care

2018 Medicare Annual Payment Rules Finalized for Outpatient Hospital Departments, Ambulatory Surgical Centers, and Home Health settings

Today, the Centers for Medicare & Medicaid Services (CMS) finalized two Medicare payment rules moving the agency in a new direction by putting patients first and ensuring that payments support access to high quality, affordable care. Among other things, the Hospital Outpatient payment rule will lower out-of-pocket drug costs for people with Medicare and empower patients with more choices. Both rules finalized today increase access to care. Importantly, the Hospital Outpatient rule takes steps to preserve access in rural communities.

“As part of the President’s priority to lower the cost of prescription drugs, Medicare is taking steps to lower the costs Medicare patients pay for certain drugs in the hospital outpatient setting. Medicare beneficiaries would benefit from the discounts hospitals receive under the 340B Program by saving an estimated \$320 million on copayments for these drugs in 2018 alone,” said Seema Verma, Administrator of CMS.

Hospital Outpatient Prospective Payment System Rule published today, lowers out-of-pocket drug costs for Medicare beneficiaries:

In the Hospital Outpatient Prospective Payment System (OPPS) final rule, CMS is helping to lower the cost of prescription drugs for seniors and other Medicare beneficiaries by reducing the payment rate for certain Medicare Part B drugs purchased by hospitals through the 340B Program. The savings from this change will be reallocated equally to all hospitals paid under the OPPS. Children’s hospitals, certain cancer hospitals, and rural sole community hospitals will be excepted from these drug payment reductions for 2018. CMS looks forward to working with Congress to provide HHS additional 340B programmatic

flexibility, which could include tools to provide additional considerations for safety net hospitals. These hospitals play a critical role in serving our most vulnerable populations.

Additionally, the OPPS final rule provides relief to rural hospitals and rural clinicians. It includes a provision that would alleviate some of the burdens rural hospitals experience by placing a two-year moratorium on the direct physician supervision requirements for rural hospitals and critical access hospitals.

“CMS understands the importance of strengthening access to care, especially in rural areas,” said Administrator Verma. “This policy helps to ensure access to outpatient therapeutic services for seniors living in rural communities and provides regulatory relief to America’s rural hospitals.”

The OPPS final rule also has policies that would make OPPS payment available when Medicare beneficiaries receive certain procedures in a lower cost setting of care – the outpatient department – where those procedures can be safely performed in that setting. The new availability of OPPS payment applies to six procedures, including a common and costly Medicare surgical procedure, total knee replacements. Starting January 2018, Medicare beneficiaries undergo any of these procedures can opt to have them performed in a lower cost setting of care where a clinician believes such a setting is appropriate.

In the Home Health Prospective Payment System final rule, CMS is not finalizing the Home Health Groupings Model and will take additional time to further engage with stakeholders to move towards a system that shifts the focus from volume of services to a more patient-centered model. CMS will take the comments submitted on the proposed rule into further consideration regarding patients’ needs that strikes the right balance in putting patients first.

For a fact sheet on the OPPS final rule with comment period, please visit:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-11-01.html>.

For a fact sheet on the Home Health final rule, please visit:

<https://www.cms.gov/Newsroom/MediaReleaseDatabase/Fact-sheets/2017-Fact-Sheet-items/2017-11-01-2.html>.

The OPPS final rule with comment period (CMS-1678-FC) can be downloaded from the *Federal Register* at: <https://www.federalregister.gov/public-inspection>.

The Home Health Prospective Payment System final rule (CMS-1672-F) can be downloaded from the *Federal Register* at: <https://www.federalregister.gov/public-inspection>.

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