

## 2023 Current Fiscal Year Report: Advisory Panel on Hospital Outpatient Payment

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### 1. Department or Agency

Department of Health and Human  
Services

### 2. Fiscal Year

2023

### 3. Committee or Subcommittee

Advisory Panel on Hospital Outpatient  
Payment

### 3b. GSA

### Committee No.

10710

### 4. Is this New During Fiscal Year?

5. Current Charter	6. Expected Renewal Date	7. Expected Term Date
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No 11/21/2022 11/21/2024

### 8a. Was Terminated During Fiscal Year?

No

### 8b. Specific Termination Authority

Charter

### 8c. Actual Term Date

### 9. Agency Recommendation for Next Fiscal Year

Continue

### 10a. Legislation Req to Terminate?

Not Applicable

### 10b. Legislation Pending?

Not Applicable

### 11. Establishment Authority Statutory (Congress Created)

### 12. Specific Establishment Authority

Section 1833(t)(9)(A) of the  
Social Security Act

### 13. Effective Date

11/29/1999 Continuing

### 14. Committee Type

### 14c. Presidential?

No

### 15. Description of Committee National Policy Issue Advisory Board

### 16a. Total Number of Reports

No Reports for  
this Fiscal Year

### 17a. Open

1 17b. Closed 0 17c. Partially Closed 0 Other Activities 0 17d. Total 1

### Meetings and Dates

Purpose

Start

End

The Panel may advise the Secretary, Department of Health and Human Services (HHS), and the Administrator. Centers for Medicare & Medicaid Services (CMS), on the following: (1) The clinical integrity of the Ambulatory Payment Classification (APC) groups and their associated weights, which are major elements of the Medicare Hospital Outpatient Prospective Payment System (OPPS), and the Ambulatory Surgical Center (ASC) payment system; and (2) The appropriate supervision level for hospital outpatient services. With respect to supervision, the Panel may recommend a supervision level to ensure an appropriate level of quality and safety for delivery of a given service, as described by a Healthcare Common Procedure Code System (HCPCS) code.

**Number of Committee Meetings Listed: 1**

	<b>Current FY</b>	<b>Next FY</b>
<b>18a(1). Personnel</b>		
<b>Pmts to Non-Federal</b>	\$0.00	\$0.00
<b>Members</b>		
<b>18a(2). Personnel</b>		
<b>Pmts to Federal</b>	\$6,070.00	\$6,349.00
<b>Members</b>		
<b>18a(3). Personnel</b>	\$197,759.00	\$206,856.00
<b>Pmts to Federal Staff</b>		
<b>18a(4). Personnel</b>		
<b>Pmts to Non-Member</b>	\$0.00	\$0.00
<b>Consultants</b>		
<b>18b(1). Travel and Per</b>		
<b>Diem to Non-Federal</b>	\$0.00	\$0.00
<b>Members</b>		
<b>18b(2). Travel and Per</b>		
<b>Diem to Federal</b>	\$0.00	\$0.00
<b>Members</b>		
<b>18b(3). Travel and Per</b>		
<b>Diem to Federal Staff</b>	\$0.00	\$0.00
<b>18b(4). Travel and Per</b>		
<b>Diem to Non-member</b>	\$0.00	\$0.00
<b>Consultants</b>		

<b>18c. Other(rents,user charges, graphics, printing, mail, etc.)</b>	\$10,792.00	\$11,008.00
<b>18d. Total</b>	\$214,621.00	\$224,213.00
<b>19. Federal Staff Support Years (FTE)</b>	1.50	1.50

**20a. How does the Committee accomplish its purpose?**

The Panel may advise the Secretary, Department of Health and Human Services (HHS), and the Administrator. Centers for Medicare & Medicaid Services (CMS), on the following: (1) The clinical integrity of the Ambulatory Payment Classification (APC) groups and their associated weights, which are major elements of the Medicare Hospital Outpatient Prospective Payment System (OPPS), and the Ambulatory Surgical Center (ASC) payment system; and (2) The appropriate supervision level for hospital outpatient services. With respect to supervision, the Panel may recommend a supervision level to ensure an appropriate level of quality and safety for delivery of a given service, as described by a Healthcare Common Procedure Code System (HCPCS) code.

**20b. How does the Committee balance its membership?**

The Panel shall consist of up to 15 total members who are representatives of providers. Members are selected by the Secretary or Administrator among the fields of hospital payment systems; hospital medical care delivery systems; provider billing and accounting systems; APC groups; CPT codes; HCPCS codes; the use of, and payment for, drugs, medical devices, and other services in the hospital outpatient setting; and other forms of relevant expertise. All members shall have a minimum of 5 years of experience in their area(s)

of expertise, but it is not necessary that any member be an expert in all of the areas listed above. Panel members are full-time employees of hospitals, hospital systems, or other Medicare providers. The panel may also include a representative of the provider with ASC expertise, who shall advise CMS only on OPPS APC rates, as appropriate, impacting ASC covered procedures within the context and purview of the panel's scope. The Panel also has an Acting Chair who is a Federal official and serves as a Medical Director at CMS. The Panel membership reflects a balance in terms of gender, race, and geographical location.

#### **20c. How frequent and relevant are the Committee Meetings?**

The Panel meets annually by the call of the Chair, or his/her appointee, and the decisionmaker at CMS. The meetings can be held up to three times per year, as stated in the Charter. The meetings are relevant since the Panel provides advice and consultation to the Secretary, Department of Health and Human Services (the Secretary) and to the Administrator, Centers for Medicare & Medicaid Services (CMS). The Panel is relevant for the following reasons:

- Addressing whether procedures within an APC group are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving HCPCS codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC group weights.
- Reviewing packaging the cost of items and services, including drugs and devices, into procedures and services, including the methodology for packaging and the impact of packaging the cost of those items and services on APC group structure and payment.
- Removing

procedures from the inpatient list for payment under the OPPTS. •Using claims and cost report data for CMS' determination of APC group costs. •Addressing other technical issues concerning APC group structure. •Evaluating the required level of supervision for hospital outpatient services. •OPPS APC rates for covered ASC procedures.

**20d. Why can't the advice or information this committee provides be obtained elsewhere?**

The Secretary is mandated by section 1833(t) of the Social Security Act (the Act) as amended by section 201(h) of the Balanced Budget Refinement Act of 1999 (Pub. L. 106-113) to consult with an advisory panel on the APCs. Consequently, the Panel was created to advise the Secretary and the Administrator, CMS, concerning the clinical integrity of the APC groups and their weights, which are major elements of the hospital OPPTS. The Panel may use data collected or developed by entities and organizations other than the Department and CMS in conducting its review. The Panel's recommendations have assisted in making the Outpatient Prospective Payment System a very responsive system to providers' needs.

**20e. Why is it necessary to close and/or partially closed committee meetings?**

Meetings are not closed; in fact, they are open to the public. Notices of meetings are given to the public in the Federal Register, and there will be records of the meeting proceedings kept, as required by applicable laws and departmental regulations. In the event that a portion of a meeting is closed to the public, a report will be prepared that contains at a minimum a list of members and their business addresses, the

Panel's function, dates and places of meetings, and a summary of Panel activities and recommendations made during the fiscal year. A copy of the report will be provided to the Department Committee Management Officer.

## 21. Remarks

### Designated Federal Officer

Chuck Braver Designated Federal Officer, FACA; Health Insurance Specialist - Division of Outpatient Care, Center for Medicare, Centers for Medicare & Medicaid Services (CMS),

Committee Members	Start	End	Occupation	Member Designation
Bean, Becky	07/01/2023	06/30/2027	Senior VP, Chief Pharmacy Exec.	Representative Member
Bohlke, Terry	03/01/2019	02/28/2023	CPA and VP for ASCs	Representative Member
Capco, Thomas	07/01/2023	06/30/2027	Senior Dir., Reg. Respiratory Therapist	Representative Member
Cooper-Oguz, Carmen	03/01/2019	02/28/2023	Line VP and Dir. Rehabilitation	Representative Member
Courtney, Paul	03/01/2019	02/28/2023	M.D. (Orthopedics)	Representative Member
Dawson, Nancy	07/01/2023	06/30/2027	M.D., Assoc. Prof. Medicine	Representative Member
Dirksen, Blake	07/01/2023	06/30/2027	Medical Physicist	Representative Member
Duffy, Peter	03/01/2019	02/28/2023	M.D. (Cardiology)	Representative Member
Fazio, Brandon	07/01/2023	06/30/2027	Dir. Fin. Analysis ASC	Representative Member
Gangarosa, Lisa	03/01/2019	02/28/2023	M.D. (Gastroenterologist) and Prof. of Med.	Representative Member
Gateley, Bo	07/16/2020	07/15/2024	Director Regulatory & Value-Based Care Analytics; Dir. Government, M.B.A.	Representative Member
Hambrick, Edith	03/02/2016	03/01/2025	Medical Officer, Hospital and Ambulatory Policy Group, Center for Medicare, Centers for Medicare & Medicaid Services	Regular Government Employee (RGE) Member

Kuettel, Michael	03/01/2019	02/28/2023	M.D. (Oncology) and Prof. and Chair of Rad. Med.	Representative Member
Manaker, Scott	07/20/2020	07/19/2024	M.D. (Pulmonary and Critical Care)	Representative Member
Nester, Brian	07/16/2020	07/15/2024	President & CEO, D.O., M.B.A.	Representative Member
Seth, Rahul	07/01/2023	06/30/2027	M.D., Asst. Prof. Med, Med Dir Hematology Oncology	Representative Member
Smith Lloyd, Wendi	07/01/2023	06/30/2027	Coding Consultant Educator	Representative Member
Tettlebach, William	07/01/2023	06/30/2027	M.D. , Executive Medical Director	Representative Member
Wheatley, Matthew	07/16/2020	07/15/2024	Associate Professor, Department of Emergency Medicine, M.D.	Representative Member

## Number of Committee Members Listed: 19

### Narrative Description

The Advisory Panel on Hospital Outpatient Payment (the Panel). The Panel may advise the Secretary, Department of Health and Human Services (DHHS), and the Administrator, Centers for Medicare & Medicaid Services (CMS), on the following: 1) The clinical integrity of the Ambulatory Payment Classification (APC) groups and their associated weights, which are major elements of the Medicare Hospital Outpatient Prospective Payment System (OPPS) and the Ambulatory Surgical Center (ASC) payment system; and 2) The appropriate supervision level for hospital outpatient services. With respect to supervision, the Panel may recommend a supervision level to ensure an appropriate level of quality and safety for delivery of a given service, as described by a Healthcare Common Procedure Code System (HCPCS) code. The Panel is technical in nature, and it may advise on the following issues:

- Addressing whether procedures within an APC group are similar both clinically and in terms of resource use.
- Reconfiguring APCs (for example, splitting of APCs, moving HCPCS codes from one APC to another, and moving HCPCS codes from new technology APCs to clinical APCs).
- Evaluating APC group weights.
- Reviewing packaging the cost of items and services, including drugs and devices, into procedures and services,

including the methodology for packaging and the impact of packaging the cost of those items and services on APC group structure and payment. • Removing procedures from the inpatient list for payment under the OPPS. • Using claims and cost report data for CMS' determination of APC group costs. • Addressing other technical issues concerning APC group structure. • Evaluating the required level of supervision for hospital outpatient services. • OPPS APC rates for covered ASC procedures. The subject matter before the Panel shall be limited to these and related topics. Unrelated topics are not subjects for discussion. Unrelated topics include, but are not limited to, the conversion factor, charge compression, revisions to the cost report, pass-through payments, correct code usage, new technology applications (including supporting information/documentation), provider payment adjustments, and the types of practitioners that are permitted to supervise hospital outpatient services. The Panel may not recommend that services be designated as nonsurgical extended duration therapeutic services.

**What are the most significant program outcomes associated with this committee?**

	Checked if Applies
Improvements to health or safety	<input checked="" type="checkbox"/>
Trust in government	<input checked="" type="checkbox"/>
Major policy changes	<input checked="" type="checkbox"/>
Advance in scientific research	<input checked="" type="checkbox"/>
Effective grant making	<input type="checkbox"/>
Improved service delivery	<input checked="" type="checkbox"/>
Increased customer satisfaction	<input checked="" type="checkbox"/>
Implementation of laws or regulatory requirements	<input checked="" type="checkbox"/>
Other	<input type="checkbox"/>

**Outcome Comments**

N/A

**What are the cost savings associated with this committee?**

Checked if Applies



- |                            |                                     |
|----------------------------|-------------------------------------|
| None                       | <input type="checkbox"/>            |
| Unable to Determine        | <input checked="" type="checkbox"/> |
| Under \$100,000            | <input type="checkbox"/>            |
| \$100,000 - \$500,000      | <input type="checkbox"/>            |
| \$500,001 - \$1,000,000    | <input type="checkbox"/>            |
| \$1,000,001 - \$5,000,000  | <input type="checkbox"/>            |
| \$5,000,001 - \$10,000,000 | <input type="checkbox"/>            |
| Over \$10,000,000          | <input type="checkbox"/>            |
| Cost Savings Other         | <input type="checkbox"/>            |

### **Cost Savings Comments**

NA

**What is the approximate Number of recommendations produced by this committee for the life of the committee?**

613

### **Number of Recommendations Comments**

Historically, about 25 - 35 recommendations from the APC Panel are generated at each of the two semiannual meetings for a total of 50 - 70 recommendations per year. In the past several years, this number has decreased to about 15-25 recommendations generated per year. This year, the panel generated 25 recommendations at its annual meeting.

**What is the approximate Percentage of these recommendations that have been or will be Fully implemented by the agency?**

85%

### **% of Recommendations Fully Implemented Comments**

Approximately 85 percent of the APC Panel recommendations are fully implemented by the Agency within the OPPS.

**What is the approximate Percentage of these recommendations that have been or will be Partially implemented by the agency?**

8%

### **% of Recommendations Partially Implemented Comments**

Of the approximately 15 percent that are not fully implemented, approximately 8 percent are partially implemented. For the remaining 7 percent, CMS may not be able to address these issues due to statutory constraints, or they may be addressed in future years as we

are able to do so.

**Does the agency provide the committee with feedback regarding actions taken to implement recommendations or advice offered?**

Yes ☒ No ☐ Not Applicable ☐

**Agency Feedback Comments**

The Panel is provided with copies of the recommendations at the end of each meeting. When the proposed or final rules are published, the Panel is provided with a list of the recommendations that have been addressed in these regulations. The public can view information on agency feedback regarding recommendations in the proposed or final rules, which are accessible on the CMS website at:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hosp>

**What other actions has the agency taken as a result of the committee's advice or recommendation?**

Checked if Applies

Reorganized Priorities	<input checked="" type="checkbox"/>
Reallocated resources	<input checked="" type="checkbox"/>
Issued new regulation	<input checked="" type="checkbox"/>
Proposed legislation	<input checked="" type="checkbox"/>
Approved grants or other payments	<input checked="" type="checkbox"/>
Other	<input checked="" type="checkbox"/>

**Action Comments**

The Agency has finalized payment rate changes for new technologies or in underpaid APCs after considering the Panel's recommendations.

**Is the Committee engaged in the review of applications for grants?**

No

**Grant Review Comments**

NA

**How is access provided to the information for the Committee's documentation?**

Checked if Applies

Contact DFO	<input checked="" type="checkbox"/>
Online Agency Web Site	<input checked="" type="checkbox"/>

Online Committee Web Site



Online GSA FACA Web Site



Publications



Other



### **Access Comments**

Access is provided to the information for the Committee documentation by contacting the DFO; online Agency, Committee, and GSA FACA Web sites; publications; and regulations.