

Wound Care Manufacturers

December 25, 2016

Andrew M. Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services (CMS)
CMS-1656-IFC
Mail Stop C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

Submitted Electronically to www.regulations.gov

Re: [CMS-1656-IFC] Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs; Organ Procurement Organization Reporting and Communication; Transplant Outcome Measures and Documentation Requirements; Electronic Health Record (EHR) Incentive Programs; Payment to Certain Off-Campus Outpatient Departments of a Provider; Hospital Value-Based Purchasing (VBP) Program

Dear Acting Administrator Slavitt,

On behalf of the Coalition of Wound Care Manufacturers (“Coalition”), I am pleased to submit the following comments in response to the interim final rule with comment period regarding the Hospital Outpatient Prospective Payment System (HOPPS). The Coalition represents leading manufacturers of wound care products used by Medicare beneficiaries for the treatment of wounds. Our members manufacture products that are included in this interim final rule with comment period including but not limited to negative pressure wound therapy (NPWT) and skin substitutes – now referred to as Cellular and/or Tissue Based Products for Skin Wounds (CTP).

The Coalition has concerns regarding the issue stated on page 164 (79725) of the interim final rule:

Column 1: After considering the payment differentials for major codes billed by off-campus departments of hospitals with the “PO” modifier and based on the data limitations of our analysis, we are adopting, with some exceptions noted below, a set of MPFS payment rates that are based on a 50-percent reduction to the OPPS payment rates (inclusive of packaging) for nonexcepted items and services furnished in nonexcepted off-campus PBDs in this interim final rule with comment period.

Column 3: Drugs and biologicals that are unconditionally packaged under the OPPS and are not separately payable (that is, those drugs and biologicals assigned status indicator of “N” in Addendum B to the CY 2017 OPPS/ASC final rule with comment period) will be bundled into the MPFS payment and will not be separately paid to hospitals billing for nonexcepted items and services. The full range of exceptions and adjustments to the otherwise applicable OPPS payment rate that are being adopted in the new MPFS site-of service payment rates in this interim final rule with comment period are displayed in Table X.B.2. below.

From: Payment for Nonexcepted Items and Services by OPPS Status Indicator File:

- *OPPS Indicator Status Indicator T Items and Services*
- *Paid at 50% of APC rate Existing MPFS Multiple Procedure Payment Reduction Policies Apply*

With regards to wound care, in CY2014 ,CMS expanded the existing packing policy to include skin substitute/bio skin/ cellular and tissue based products and NPWT disposables. Under the packaging policy, the CPT codes 15271-15278, C5271-C5278 and 97607-08 include the base code, add on code and the cost of the product in the payment. These items are assigned a Status Indicator “T”.

Under this proposed payment model, our concerns are that hospitals will no longer be able to provide CTPs and NPWT disposable products which are packaged since the 50% reduction would not cover the costs of the product thus denying viable treatment options for those Medicare beneficiaries who are treated in outpatient clinic and /or force these patients to another site of care, thus fragmenting their care if they have to go to another physician office for these products/treatments. The number of off campus wound care center that are currently impacted are small; however we believed it was important to comment on this issue because we recognize that CMS will be looking at different payment models going forward and we wanted to alert the Agency to this gap in this proposed model.

Therefore, we recommend that the Agency reconsider its position of implementing a set of MPFS payment rates that are based on a 50-percent reduction to the OPPS payment rates (inclusive of packaging) for nonexcepted items and services furnished in nonexcepted off-campus PBDs in this interim final rule with comment period.

The Coalition appreciates the opportunity to provide our comments. If you need further information or have any questions, please do not hesitate to contact me.

Sincerely,

Marcia Nusgart R.Ph.

Marcia Nusgart R.Ph.
Executive Director