



December 20, 2024

Michael Chernew, Ph.D.  
Chairman  
Medicare Payment Advisory Commission  
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Submitted electronically via: [meetingcomments@medpac.gov](mailto:meetingcomments@medpac.gov)

Dear Chairman Chernew:

The Blue Cross Blue Shield Association (BCBSA) appreciates the opportunity to submit comments related to the discussion of Medicare fee schedules for inpatient and outpatient hospital services at the Medicare Payment Advisory Commission's (MedPAC's) public meeting on December 12<sup>th</sup>. We are writing to urge MedPAC to reiterate its prior recommendations on site neutral payment for hospital outpatient services in its March 2025 Report to Congress and separately analyze services performed in a hospital outpatient department (HOPD).

BCBSA is a national federation of independent, community-based and locally operated Blue Cross and Blue Shield (BCBS) companies (Plans) that collectively cover, serve and support 1 in 3 Americans in every ZIP code across all 50 U.S. states and Puerto Rico. BCBS Plans contract with 96% of hospitals and 95% of doctors across the country and serve those who are covered through Medicare, Medicaid, an employer, or purchase coverage on their own.

BCBSA is committed to ensuring that everyone has access to health care at an affordable price. To that end, we have encouraged Congress to expand site-neutral payment policies for Medicare. As detailed in a recent [report](#) released by BCBSA, the amount paid for common outpatient healthcare services differs significantly based on whether they are performed in a HOPD, an ambulatory surgery center (ASC), or a physician's office. Here are just a few examples: a chest X-ray costs more than three times as much in an HOPD than in a doctor's office, an obstetric diagnostic ultrasound costs more than double, and a corticosteroid injection for back pain costs more than four times as much.

Congress has considered eliminating the grandfathering provision in the Balanced Budget Act of 2015, which exempts certain HOPDs from site neutral payment policies, as well as legislation to provide transparency in hospital billing. While these commonsense solutions were not enacted this year, site neutral payment policies continue to be debated and have bipartisan support. For example, MedPAC's June 2023 site neutral payment recommendations were included in the recent site neutrality framework released by Senators Bill Cassidy (R-LA) and Maggie Hassan (D-NH).

We are concerned that the analysis discussed at the December 12<sup>th</sup> meeting combined services provided under the Inpatient (IPPS) and Outpatient Prospective Payment Systems (OPPS). BCBSA believes that services provided under IPPS should be analyzed separately from services provided under OPPS, as those services are provided at different sites of care and vary in resource intensity. We believe that it is important to compare payments to HOPDs to the appropriate market for outpatient services, which would include ASCs and physician offices. Additionally, MedPAC's grouping of IPPS and OPPS payment rates is inconsistent with how it analyzes payment updates for other payment systems.

BCBSA recommends MedPAC incorporate its June 2023 site neutral payment recommendations as part of its March 2025 Report to Congress. These recommendations should be included within a separate analysis of OPPS payment updates, as we note above, or in a comparison of OPPS services furnished under the Ambulatory Surgical Center Prospective Payment System or Medicare Physician Fee Schedule.

BCBSA appreciates MedPAC's efforts to identify proposals to drive health care affordability in the Medicare program. If you have any questions, please feel free to contact me or Paul Eiting, Managing Director of Legislative and Regulatory Policy, at [paul.eiting@bcbsa.com](mailto:paul.eiting@bcbsa.com).

Sincerely,

A handwritten signature in black ink, appearing to read "K. Haltmeyer", with a horizontal line extending to the right.

Kris Haltmeyer  
Vice President, Policy Analysis  
Blue Cross Blue Shield Association