

CMS Proposes Changes to Inpatient Prospective Payment System Rates for 2023

On April 18, 2022, the Centers for Medicare & Medicaid Services (CMS) released its proposed rule describing federal fiscal year (FY) 2023 policies and rates for Medicare’s inpatient prospective payment system (IPPS). The public comment period on the rule will end on June 17, 2022.

The proposed modifications of the DRG weights for transplant procedures are set forth below.

MS-DRG	DESCRIPTION	2023 PROPOSED WEIGHT	FINAL 2022 WEIGHT	PERCENT CHANGE
001	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W MCC	28.0864	28.9132	-3%
002	HEART TRANSPLANT OR IMPLANT OF HEART ASSIST SYSTEM W/O MCC	13.4731	14.9701	-10%
005	LIVER TRANSPLANT W MCC OR INTESTINAL TRANSPLANT	11.1887	10.2350	9%
006	LIVER TRANSPLANT W/O MCC	4.8728	4.6964	4%
007	LUNG TRANSPLANT	12.2630	11.5800	6%
008	SIMULTANEOUS PANCREAS/KIDNEY TRANSPLANT	5.6530	5.4333	4%
010	PANCREAS TRANSPLANT	4.1650	3.6200	15%
650	KIDNEY TRANSPLANT WITH HEMODIALYSIS WITH MCC	4.6701	4.5207	3%
651	KIDNEY TRANSPLANT WITH HEMODIALYSIS WITHOUT MCC	3.5727	3.6984	-3%
652	KIDNEY TRANSPLANT	3.1081	3.1851	-2%

Overall, the Proposed Rule would increase inpatient PPS payment rates by 3.2% in FY 2023. However, the Proposed Rule would also cut Disproportionate Share Hospital (DSH) payments by about \$800 million, due partially to a decrease in the uninsured population; decrease outlier payments by 1.8 percentage points; and end the Medicare-dependent hospital and low-volume adjustment programs, which expire on Sept. 30, 2022 under the law. According to an AHA analysis, hospitals would actually see a net decrease in payments from 2022 to 2023 under this proposal because of proposed cuts to DSH and other payments. AHA’s analysis suggests that the Proposed Rule would result in a net decrease of \$0.3 billion in Medicare payment for hospital inpatient services in FY 2023 as compared to FY 2022.

One change that may impact some transplant centers is the proposed modification of the threshold for outlier payments. In order to be eligible for outlier payments, the costs of a case must exceed a fixed cost threshold. CMS proposes to adopt an outlier threshold for FY 2023 of \$43,214, an increase of 39.5

percent and \$12,266 from the FY 2022 amount. CMS believes that this increase in the threshold is necessary to ensure that outlier payments do not significantly exceed 5% of DRG operating payments.

A number of applications for new technology add-on payments also may be of interest to ASTS members. CMS received 18 traditional pathway applications for new technology add-on payments for FY 2023; five applicants withdrew their applications prior to the issuance of the Proposed Rule. Of these, two are applications for new technology add-on payments related to transplantation.

- Takeda Pharmaceuticals U.S.A. submitted an application for LIVTENCITY, an oral anti-cytomegalovirus (CMV) compound FDA approved for treatment of post-transplant patients with CMV in solid organ transplant (SOT) and hematopoietic stem cell transplant (HCT) in patients' refractory to treatment with other therapies. The applicant stated that CMV is one of the most common viral infections experienced by transplant recipients; reactivation of CMV can potentially lead to serious consequences including loss of the transplant organ and death.
- Omeros Corporation submitted an application for Narsoplimab, a fully human monoclonal antibody for the treatment of HSCT-TMA also known as transplant-associated thrombotic microangiopathy (TA-TMA).