



National Uniform Billing Committee

August 25, 2016

Andrew M. Slavitt  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Dept. of Health and Human Services  
Attention: CMS-1656-P  
P.O. Box 8013  
Baltimore, MD 21244-1850

RE: Institutional Provider-Based Off-Campus Outpatient Hospital Locations Billing

Dear Mr. Slavitt

I am writing on behalf of many members of the National Uniform Billing Committee (NUBC) to voice our concern about a possible change in billing practices for institutional providers who have off-campus based outpatient facilities. It is our understanding that the Bipartisan Budget Act of 2015 (BiBA) introduces a “site-neutral” payment policy for new and relocated off-campus provider-based hospital outpatient facilities. **While we understand the effort to create a site-neutral payment policy, we would like to caution CMS against making changes to hospital billing that would preclude these off-campus facilities from billing on a UB-04 institutional claim for the technical components associated with operating the facility.**

Today there are other health plans that rely on the institutional billing instrument for reporting facility charges. These health plans can be primary or secondary payers and they are accustomed to handling the institutional claim to represent the facility charge associated with patient care. The NUBC continues to believe in the goals of administrative simplification and would be opposed to any unilateral change that alters reporting of the institutional claim by replacing it with a professional claim. Doing so would cause significant disruptions, increase administrative burden, and increase processing costs not only for hospitals that operating such facilities, but other health plans as well. The NUBC is willing to work with CMS to find a solution that does not disrupt the current billing process used by institutional providers.

The designation of the applicable billing instrument is based on the enrollment process with health plans. For Medicare purposes, this includes the completion of the 855A enrollment form for determining whether the provider is an institutional provider. Institutional providers, like hospitals, need to also complete an annual cost report, an administrative function that physician offices do not have to complete. Hospital payment under the Medicare program was originally based on cost of operations; over the years new limits have been imposed on the cost-based formula for updating payment, but it is still rooted in a cost finding methodology. The completion of the

institutional claim serves as the basis for determining the contractual payment applied to the revenue billed and is dependent on unique billing and clinical code requirements. It should also be noted that hospital based facilities must meet unique certification requirements for plant and equipment that further differentiates them from simple physician offices. As such, there are additional costs associated with hospital based facilities that should be recognized by CMS in order to build and maintain these facilities. These requirements were created to ensure the quality of care within these facilities.

**In summary the NUBC would disapprove of any efforts by CMS that force an institutionally based facility to switch billing instruments for the technical services away from an institutional claim.**

Should you have any questions, please contact me at 312-422-3398 or via email at [garges@aha.org](mailto:garges@aha.org).

Sincerely

George Arges

Chairman, NUBC