

Sept. 24, 2018

## PUBLIC COMMENT LETTER

Seema Verma  
Administrator, Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-1695-P  
P.O. Box 8013  
Baltimore, MD 21244-1850.  
*Submitted electronically via: <http://www.regulations.gov>*

Re: CMS-1695-P, Medicare Program; Proposed Changes to Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems and Quality Reporting Programs.

Dear Ms. Verma:

On behalf of our more than 450 member hospitals and health systems, including rural, urban, children's, teaching and specialty hospitals, the Texas Hospital Association appreciates the opportunity to provide comments on the above-referenced proposed changes, published July 31, 2018.

First, THA asks the Department of Health and Human Services to preserve the current status for services provided at grandfathered off-campus sites. Congressional intent is clear that these buildings and sites are recognized by law as excepted, and HHS should not alter statute through rulemaking. If these proposed changes take effect, the response from hospitals may be to move outpatient services back into the hospital, which would cost more for hospitals. For example, a large member hospital system determined that the cost to move its outpatient radiation oncology services back into the hospital would total \$22 million for construction, equipment, fees and other intangibles. Moreover, oncology patients are among a broader group of medically vulnerable patients who benefit from access to convenient, outpatient services.

Second, there is insufficient data on the cost structure of ambulatory surgical centers to conclude that the proposed market basket adjustment for ASCs is appropriate. A delay on this proposal would allow CMS to collect additional information regarding an appropriate proxy for ASC costs. One suggestion is for CMS to consider the Consumer Price Index for medical services instead of the CPI-U currently used by CMS. A comparison among the CPI-U, CPI for medical services and the proposed market basket update would provide a more complete data set prior to a change.

Third, THA proposes that the definition of “off campus” be modified to mean a site 250 feet from the perimeter of the hospital property instead of 250 feet from the “main building.” This change would result in much needed clarity.

Finally, THA encourages HHS to refer to specific comments provided by our member hospitals, including comments submitted by Memorial Hermann Health System.

Please contact me at (512) 465-1027 or [clopez@tha.org](mailto:clopez@tha.org) with any questions or comments, or if there is anything else THA can assist with. Thank you for your time and attention. THA looks forward to working with HHS on this issue.

Very truly yours,



Cesar J. Lopez  
Associate General Counsel