

Site Neutral Payment Reforms and Appropriate Billing

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**BlueCross
BlueShield**
Association

Blue Cross Blue Shield Association is an association of independent Blue Cross and Blue Shield companies.

Trends in Research | Provider Consolidation and Costs in Hospital Settings Drive Spending Increases

- At the start of 2021, **nearly 70% of U.S. physicians** were employed by hospitals or other corporate entities, which represents a **12% increase** in just two years.²
- Care designated as being delivered in a hospital setting costs up to **300% more than care delivered** in an office-based setting.³
- A study that examined data from 2007-2013 found that prices **increased 14% on average** after acquisition by a hospital. Half of that increase is due to misuse of payment rules.⁴

2. Revised-6-8-21_PA1-Physician-Employment-Study-2021-FINAL.pdf (physiciansadvocacyinstitute.org)

3. [Study quantifies cost differential between physician offices and hospital outpatient care | Fierce Healthcare](#)

4. [The effect of hospital acquisitions of physician practices on prices and spending - PubMed \(nih.gov\)](#)

Hospital Outpatient Department Prices Are Growing Faster than Other Sites of Care

From 2017 – 2022:

HOPD prices:

UP TO
5X MORE
EXPENSIVE

compared to ASCs
& Physician's Offices

HOPD prices:

↑ **27%**

as compared to:

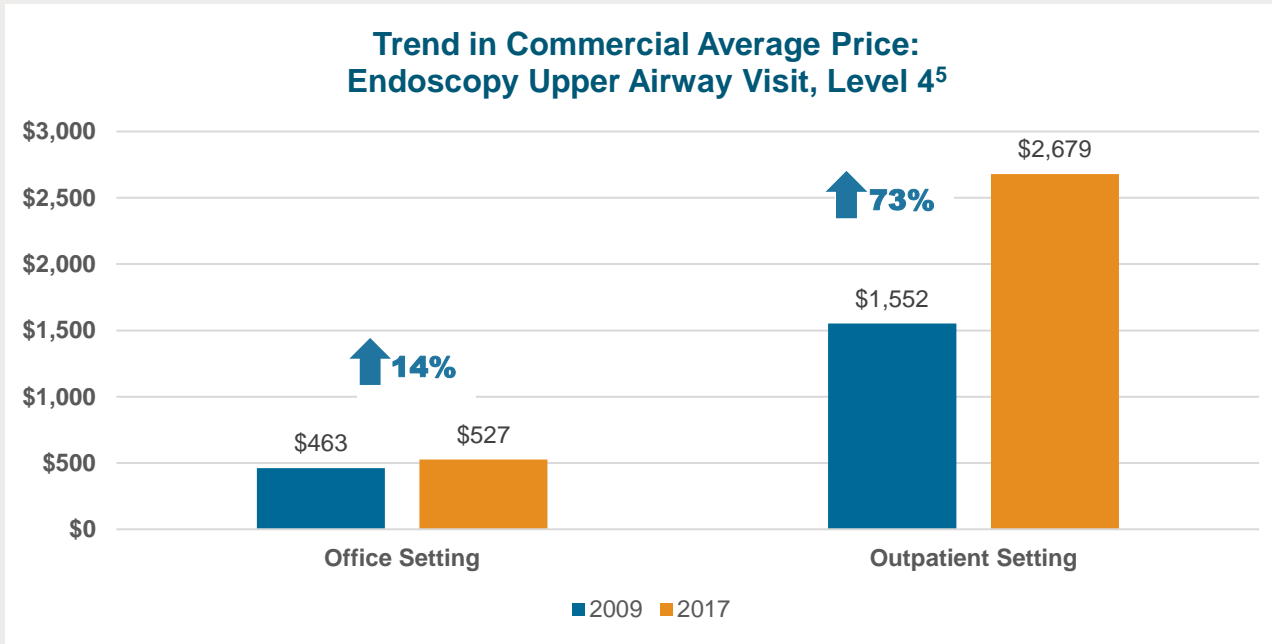
↑ **11%**

ASCs

↑ **2%**

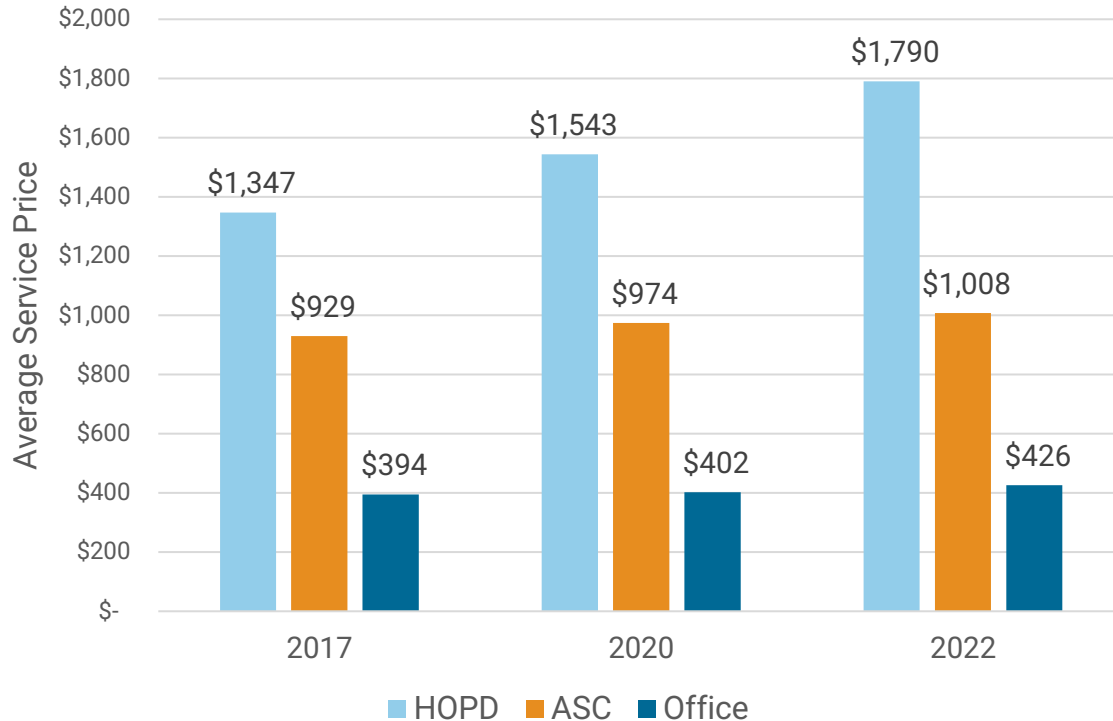
Physician's
Offices

Example | Average Price for an Endoscopy Visit

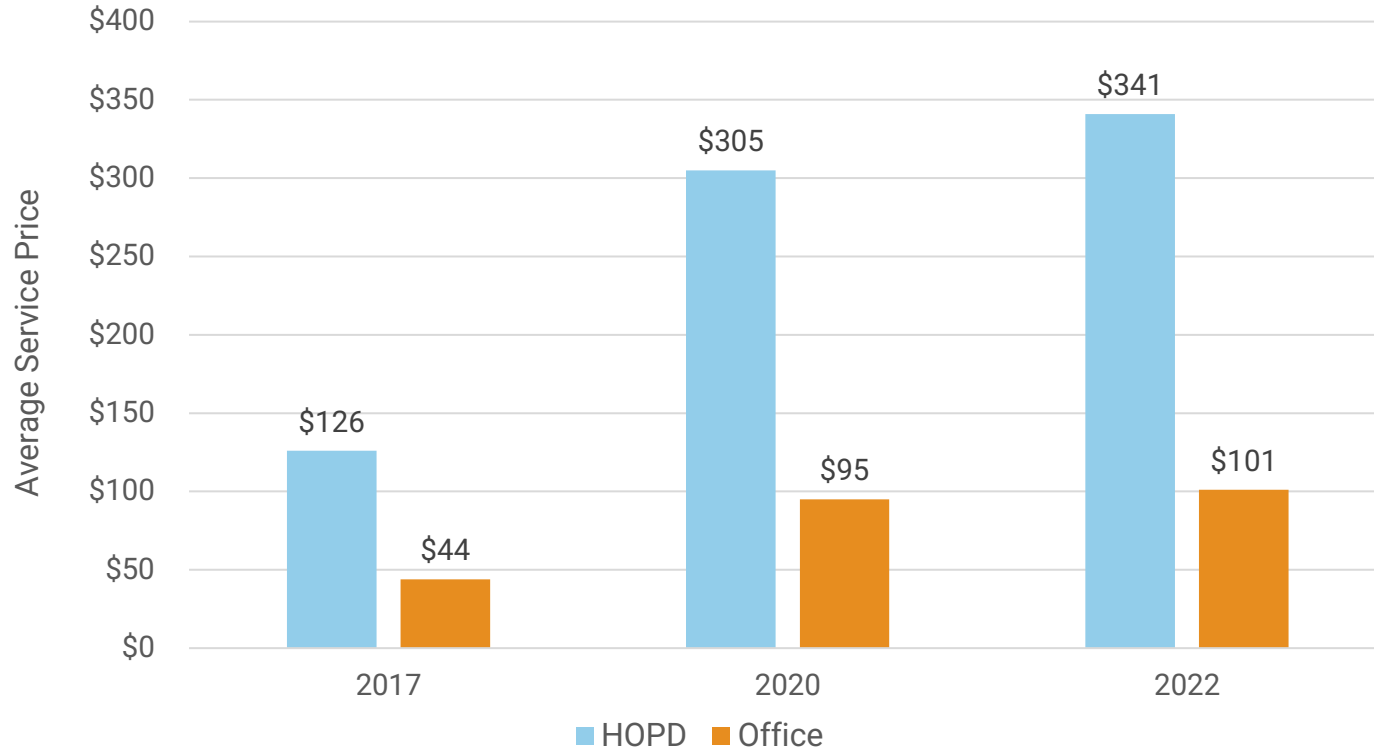


⁵ <https://healthcostinstitute.org/in-the-news/shifting-care-office-to-outpatient>

Average Price by Site of Care: Corticosteroid Injection for Back Pain



Average Price by Site of Care: Chest X-Ray



Why is HOPD Care So Much More Expensive?

- Over the past decade, costs for outpatient care have increased substantially, fueled in part by the growing trend in hospitals acquiring physician practices.
- When this occurs, some of these practices begin charging hospital reimbursement rates, even though the service and care setting have not changed.
- For consumers, this artificially raises health care costs through increased cost-sharing and higher premiums.

Hospital Higher Billing Rates Means Higher Costs for Patients

- Hospital-acquired physician offices use the hospital national provider identifier (NPI) and hospital claims forms
- When this occurs, some of these practices charge hospital reimbursement rates, even though the service and care setting have not changed.
- For consumers, this artificially raises health care costs through increased cost-sharing and higher premiums.

Solutions to Ensure “Site Neutral” Payment Policies and Lower Healthcare Costs

States can play a crucial role in addressing inappropriate billing practices across the country by enacting policies that differentiate between hospital and non-hospital settings.

We encourage states to:

- Require off-campus hospital sites to obtain and use a different national provider identifier (NPI) than the main campus, which is currently allowed but not required by CMS.
- Require hospitals to use the correct forms*, which include a “place of service code”, when billing for their off-campus outpatient sites.

* CMS 1500 claim form and the HIPAA X12 837P professional forms

Thank you