hfma healthcare financial management association

EXECUTIVE IMPACT BRIEF

CY 2027 Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Final Rule

THE 2.3% PAYMENT UPDATE DOES NOT TELL THE FULL STORY

2.3%	ASP -28%	+7.5%	-2%
Payment rate update	340B drug payment	Non-drug increase	Remedy offset

340B | THREE DISTINCT FINANCIAL EFFECTS

Lower drug payment: qualifying 340B drugs are paid at average sales price (ASP) minus 28%, putting pressure on drug-intensive oncology and infusion programs.

Redistribution: a 7.5% adjustment raises eligible non-drug outpatient payments. The net result depends on each hospital's mix of 340B drugs and non-drug services.

Separate remedy: The reduction for affected hospitals rises from 0.5% to 2% of eligible non-drug payments, accelerating recovery of prior 340B remedy payments.

ONE RULE. VERY DIFFERENT PROJECTED PAYMENT IMPACTS.

-2.7%	-4.2%	+10.1%
MAJOR TEACHING	HIGH-DSH*	FOR-PROFIT

The substantial variation reflects differences in 340B drug utilization, non-drug outpatient service mix, and other applicable payment adjustments. These are modeled OPPS payment changes, not changes in total hospital margins.

SITE-NEUTRAL IMAGING

What changes: specified noncontrast imaging at excepted off-campus hospital departments is paid at a Physician Fee Schedule-equivalent rate, generally 40% of the OPPS rate. Rural sole community hospitals are exempt.

Financial exposure: high-volume off-campus imaging sites may face lower facility revenue without comparable reductions in operating costs.

INPATIENT-ONLY LIST

What changes: 637 additional procedures are removed from the inpatient-only list. Outpatient Medicare payment becomes possible when clinically appropriate; outpatient care is not mandatory.

Financial exposure: surgical programs should assess case selection, inpatient-to-outpatient revenue shifts, capacity and contribution margins.

EXECUTIVE EXPOSURE LENS

340B DRUG MIX	OFF-CAMPUS IMAGING	SURGICAL SHIFT
Will 340B drug losses and remedy offsets outweigh gains in non-drug reimbursement?	Which locations and imaging services lose facility reimbursement?	Which procedures can move outpatient without eroding margin?

EXECUTIVE IMPERATIVE: Model the combined impact by hospital, service line and site of care - not simply the annual OPPS update.

Source: Centers for Medicare & Medicaid Services (CMS), CY 2027 final rule, Table 112. *High-DSH: disproportionate share hospital patient percentage above 35%. Categories overlap; modeled OPPS changes exclude the separately reported 340B remedy offset.