

**CY 2022 Medicare Hospital Outpatient Prospective Payment/Ambulatory Surgical  
 Center Final Rule**

The Calendar Year (CY) 2022 Medicare Hospital Outpatient Prospective Payment System/Ambulatory Surgical Center (OPPS/ASC) final rule was released on November 2, 2021 by the Centers for Medicare & Medicaid Services (CMS). The annual payment rule sets policy for hospital outpatient departments and ambulatory surgical centers participating in the Medicare program and makes updates to the Hospital Outpatient Quality Payment Program. AAOS submitted formal comments to CMS on the proposed rule in September. The outline below compares what AAOS advocated for and what was made final in the rule. The majority of the regulations will take effect on January 1, 2022.

Issue	AAOS comments	Final Rule
<p><b>Medicare Inpatient Only (IPO) List</b></p> <p>Last year, CMS finalized a policy to eliminate the Medicare IPO List over a three-year period, removing 298 musculoskeletal services from the IPO List in the first year. Given concerns over patient safety, for CY 2022 CMS is now proposing to halt this policy and add back all these 298 procedures to the list.</p>	<p>CMS must maintain the IPO List but streamline it systematically to allow for the removal of procedure codes, or groups of codes, (such as total shoulder arthroplasty and total ankle arthroplasty) that can safely and effectively be performed on a typical Medicare beneficiary in the hospital outpatient setting and subsequently in the ambulatory surgical center setting.</p>	<p>CMS is reversing the elimination of the IPO and placing the majority of the 298 codes removed in 2021 back on the IPO effective January 1, 2022.</p> <p>CMS took note of AAOS feedback and the following procedures will remain outpatient: CPT 22630 (<i>Lumbar spine fusion</i>), CPT 23472 (<i>Reconstruction of shoulder joint</i>), and CPT 27702 (<i>Reconstruction of ankle joint</i>)</p>
<p><b>Two-Midnight Rule</b></p> <p>CMS finalized a policy to allow for indefinite exemption from the site-of-service claim denials, Beneficiary and Family Centered Care-Quality Improvement Organizations (BFCC-QIO) referrals to Recovery Audit Contractors (RACs), and RAC reviews for</p>	<p>Urge CMS to maintain this policy of indefinite exemption, as finalized, and not consider the proposal to revise the medical review exemption period to two years.</p>	<p>CMS is finalizing the proposal to revise the exemption from the two-midnight rule for procedures removed on or after January 1, 2021 from the IPO list to the two year exemption.</p>

<p>patient status/site-of-service until there was enough Medicare claims data to show that a particular procedure was more frequently performed in the outpatient setting than in the inpatient setting.</p>		
<p><b><i>Ambulatory Surgical Center Covered Procedures List (ASC CPL)</i></b></p> <p>CMS added 267 procedures to the ASC CPL in CY 2021 based on revised safety criteria. CMS proposed, for CY 2022, removing the majority of these procedures from the ASC CPL and instead proposed a policy to allow surgical codes to be added to the ASC CPL through a process of stakeholder nomination.</p>	<p>AAOS requested that CMS use the process of stakeholder nomination to ensure that procedures being considered for addition to the ASC-CPL were appropriate and safe to perform in that setting.</p>	<p>CMS is reinstating the safety criteria for adding procedures to the ASC-CPL. As a result, 255 procedures are being removed from the ASC CPL. CMS is also finalizing a policy to create an external stakeholder nomination process to add procedures to the ASC CPL beginning in March 2022. For procedures nominated in March, CMS will determine whether or not the procedure meets the safety criteria for addition to the ASC CPL and it, if approved, for January 1, 2023 implementation.</p> <p>The following orthopedic codes will remain on the ASC CPL:      CPT 28005 (<i>Incision, bone cortex (e.g., osteomyelitis or bone abscess)</i>)      CPT 27412 (<i>Autologous chondrocyte implantation, knee</i>)</p>
<p><b><i>Prior Authorization</i></b></p> <p>CMS had previously finalized, in 2020 and 2021, prior authorization requirements for several orthopedic procedures</p>	<p>AAOS reiterated our serious concerns with the continuation of prior authorization in the outpatient setting and urged CMS</p>	<p>CMS has not introduced any new prior authorization requirements in this final rule.</p>

<p>being performed in the outpatient setting under the OPPS.</p>	<p>to withdraw the program and refrain from implementing any further prior authorization requirements without stakeholder input.</p>	
<p><b>Total Hip Arthroplasty/Total Knee Arthroplasty Patient Reported Outcome-Performance Measure (PRO-PM)</b></p> <p>CMS solicited feedback on the future inclusion of Hospital-Level, Risk Standardized PRO-PMs following elective THA and TKA in the outpatient quality reporting program.</p>	<p>AAOS supported the recommended THA/TKA measure. AAOS also mentioned our support for the use of registries for the collection, standardization, and submission of PROMs to CMS.</p>	<p>CMS is continuing to monitor the number of THA and TKA cases being performed in the outpatient setting. When there is a sufficient number being performed to begin measuring in a statistically significant way, CMS will consider implementing this PRO-PM in the outpatient setting.</p>
<p><b>Request for Information on Closing the Health Equity Gap in CMS Hospital Quality Programs</b></p> <p>CMS placed a request for information on strategies to mitigate health equity across CMS hospital quality programs in the CY 2022 Inpatient and Outpatient Prospective Payment System Rules.</p>	<p>AAOS appreciated the opportunity to share our perspective on collecting meaningful patient data to support individual and population-level data collection with the goal of mitigating health disparities. We suggested that CMS consider nine factors—demographic, clinical, and social—that impact outcomes in orthopaedic surgery.</p>	<p>CMS appreciates the feedback from stakeholders on the various aspects of implementing a strategy to bring health equity to the hospital quality programs. They are taking the feedback into consideration as they continue to develop a model.</p>