

The Lower Costs, More Transparency Act (H.R. 5378): Starting in 2025, and phased in over four years, drug administration services furnished in off-campus provider-based departments would be paid at a site-neutral rate.

State	State Abbreviation	10-Year Dollar Impact	10-Year Percent Impact
<b>United States</b>	<b>U.S.</b>	<b>-\$4.1 B</b>	<b>-0.33%</b>
Alaska	AK	-\$2.1 M	-0.09%
Alabama	AL	-\$41.2 M	-0.26%
Arkansas	AR	-\$11.4 M	-0.08%
Arizona	AZ	-\$32.1 M	-0.14%
California	CA	-\$314.2 M	-0.26%
Colorado	CO	-\$40.2 M	-0.23%
Connecticut	CT	-\$86.3 M	-0.51%
District of Columbia	D.C.	-\$221.2 K	-0.01%
Delaware	DE	-\$18.5 M	-0.31%
Florida	FL	-\$203.6 M	-0.32%
Georgia	GA	-\$153.8 M	-0.45%
Hawaii	HI	-\$782.6 K	-0.02%
Iowa	IA	-\$23.2 M	-0.15%
Idaho	ID	-\$45.8 M	-0.54%
Illinois	IL	-\$153.0 M	-0.28%
Indiana	IN	-\$92.0 M	-0.29%
Kansas	KS	-\$81.3 M	-0.52%
Kentucky	KY	-\$60.9 M	-0.28%
Louisiana	LA	-\$9.0 M	-0.05%
Massachusetts	MA	-\$211.2 M	-0.41%
Maine	ME	-\$52.2 M	-0.73%
Michigan	MI	-\$143.9 M	-0.38%
Minnesota	MN	-\$58.1 M	-0.24%
Missouri	MO	-\$54.8 M	-0.18%
Mississippi	MS	-\$43.2 M	-0.28%
Montana	MT	-\$3.4 M	-0.04%
North Carolina	NC	-\$117.9 M	-0.26%
North Dakota	ND	-\$46.7 M	-0.60%
Nebraska	NE	-\$15.9 M	-0.16%
New Hampshire	NH	-\$11.4 M	-0.12%

State	State Abbreviation	10-Year Dollar Impact	10-Year Percent Impact
New Jersey	NJ	-\$57.5 M	-0.18%
New Mexico	NM	-\$33.0 M	-0.51%
Nevada	NV	-\$1.3 M	-0.02%
New York	NY	-\$694.2 M	-0.90%
Ohio	OH	-\$204.6 M	-0.40%
Oklahoma	OK	-\$28.1 M	-0.14%
Oregon	OR	-\$9.3 M	-0.07%
Pennsylvania	PA	-\$155.7 M	-0.26%
Rhode Island	RI	-\$32.6 M	-0.84%
South Carolina	SC	-\$71.5 M	-0.33%
South Dakota	SD	-\$8.4 M	-0.09%
Tennessee	TN	-\$63.0 M	-0.25%
Texas	TX	-\$176.2 M	-0.26%
Utah	UT	-\$14.5 M	-0.14%
Virginia	VA	-\$119.2 M	-0.33%
Vermont	VT	-\$9.9 M	-0.24%
Washington	WA	-\$213.9 M	-0.68%
Wisconsin	WI	-\$113.8 M	-0.40%
West Virginia	WV	-\$2.2 M	-0.02%

Sources: Centers for Medicare & Medicaid Services, calendar year (CY) 2021 outpatient prospective payment system (OPPS) final rule rate-setting and outpatient standard analytical files; CY 2023 OPPS final rule and associated public use files; Congressional Budget Office (CBO) May 2022 Medicare Baseline.

Notes:

1. H.R. 5378 calls for off-campus grandfathered drug administration services to be cut starting in 2025. It defines them as those that are assigned to designated ambulatory payment classification (APC) groups. While it does not explicitly list the APCs, an AHA coding expert identified four drug administration APCs: 5691-5694. Hence, we used these APCs in our modeling.
2. We estimated the site-neutral payment rate to be 40 percent of the OPPS payment rate i.e., a reduction of 60 percent.
3. Since H.R. 5378 calls for a 4-year transition period, we assumed that cuts would result in 25% of the full impact in 2025, 50% in 2026, 75% in 2027 and 100% (full implementation) in 2028 and beyond. It is possible that CMS could adopt a different schedule for the transition period. The impacts shown above do not include a one year delay in implementation for certain rural and cancer hospitals.
4. Wyoming and Puerto Rico did not report any lines for off-campus grandfathered drug administration services in the claims data and are not shown in the table. States with very low impacts are shown in the table but have very few reported off-campus grandfathered drug administration services.
5. We modeled OPPS payments using CY 2021 data files and CY 2023 final rule policies. Payments were inflated to 2025 and through 2034 using CBO's projections of payments for hospital outpatient services contained in their May 2022 Medicare baseline.