

## **Improving Medicare's policies for separately payable drugs in the hospital outpatient prospective payment system**

**ISSUE:** In the hospital outpatient prospective payment system (OPPS), the cost of many drugs is packaged into the payment rate for the related service. However, the OPPS also has two policies for paying separately for relatively costly drugs: the pass-through policy and the policy for separately payable non-pass-through drugs. Drugs must meet requirements to qualify for these programs, but these requirements could be modified to make the policies more efficient and better target drugs for which separately payable status is beneficial.

**KEY POINTS:** At previous meetings, commissioners evaluated the requirements for drugs to be separately payable under the OPPS and considered policy options that would change these requirements to better target drugs that should be separately payable.

**ACTION:** Commissioners will vote on the draft recommendations.