AdvaMed
Advanced Medical Technology Association

Comments to
Centers for Medicare and Medicaid Services
Advisory Panel on Hospital Outpatient Payment
August 19th-20th, 2019

Submitted By: DeChane L. Dorsey, Esq.
On behalf of the
Advanced Medical Technology Association (AdvaMed)

AdvaMed appreciates the opportunity to address the Advisory Panel on Hospital Outpatient Payment (the Panel) and commends the Panel on its efforts to evaluate and improve the APC groups under the hospital outpatient prospective payment system (OPPS) and to ensure that Medicare beneficiaries have timely access to new technologies.

AdvaMed member companies produce the medical devices, diagnostic products, and health information systems that are transforming health care through earlier disease detection, less invasive procedures, and more effective treatments. AdvaMed members range from the largest to the smallest medical technology innovators and companies.

AdvaMed is committed to ensuring patient access to life-saving and life-enhancing devices and other advanced medical technologies in the most appropriate settings and supports a system with payment weights and payment rates that include sufficient resources to account for the costs of the medical technologies associated with hospital outpatient and ambulatory surgical center procedures.

Our comments today will address two topics:

- **Reconfiguring APCs**
- **Comments on Specific APCs**

I. Reconfiguring APCs

There are several issues related to reconfiguring APCs that we would like to address.

Comprehensive APCs

CMS introduced the concept of comprehensive APCs (C-APCs) in the CY 2014 Outpatient Prospective Payment System rule. Since that time the agency has continued to create additional comprehensive APCs (C-APCs) and to make modifications to the policies governing development and use of these payment groupings.

C-APCs were first used on Medicare claims in CY 2015. The CY 2017 OPPS rates represented the first full year of claims data used for rate setting since establishment of C-APCs. AdvaMed has previously expressed concerns regarding whether the rates associated with the

comprehensive APC's adequately or accurately reflect all related procedures and costs. This is of concern as CMS continues to expand the number of packaged and bundled services, including proposing the addition of two additional C-APCs in CY 2020.

- ***AdvaMed encourages the Panel to recommend that CMS continue to analyze the claims data and to report on the impact of comprehensive APC changes on all affected codes and any impacts on patient access to services that are bundled under the comprehensive APCs.***

Complexity Adjustments

CMS has developed a process for identifying and applying complexity adjustments to certain combinations of codes as a part of the comprehensive APC policy. AdvaMed supports the complexity adjustment as an important tool to help ensure adequate payment under the comprehensive APC methodology. We supported the changes made to the complexity adjustment criteria in the CY 2019 final rule but believe that important opportunities to refine the methodology remain.

- ***AdvaMed recommends that the Panel request that CMS expand its review of procedure combinations to include clusters of J1 and add-on codes, rather than only code pairs, to more closely reflect medical practice when multiple procedures are performed together.***
- ***AdvaMed recommends that the Panel request that CMS continue to monitor and report on the impact of applying complexity criteria on APC assignments for code combinations within the comprehensive APCs.***

Device Edits

AdvaMed has previously expressed concern regarding the elimination of device edits outside of the context of device-intensive procedures. Device edits have historically been very useful in ensuring the collection of accurate cost data.

- ***AdvaMed requests that the Panel recommend that CMS continue to monitor claims to evaluate the need to reinstate all device edits.***
- ***AdvaMed notes that CMS requires providers to accurately report items and services furnished to patients. Therefore, AdvaMed asks the Panel to recommend that CMS require hospital outpatient departments to report the appropriate device code rather than "any device code" consistent with long-standing Medicare billing guidelines.***

II. Comments on Specific APCs

Deep Brain Stimulation

CPT codes 95983 and 95984 were approved for use effective January 1, 2019. The primary CPT code for deep brain stimulation (DBS) programming, 95983, was assigned to APC 5741 (Level I

Electronic Analysis of Devices) and is proposed to remain in that same grouping for CY 2020. The add-on CPT code, 95984, describes additional time spent on DBS programming and is proposed to be packaged, consistent with its predecessor code. AdvaMed has concerns regarding the placement of CPT code 95983 into APC 5741 as we do not believe that payment for this grouping adequately reflects the resources used by hospitals in performing these procedures and does not align with the assignment of the predecessor CPT code which was included in APC 5742 (Level 2 Electronic Analysis of Devices).

- ***AdvaMed recommends that the Panel recommend to CMS that CPT code 95983 be assigned to APC 5742 (Level 2 Electronic Analysis of Devices) for CY 2020.***

Interlaminar/Interspinous Process Stabilization/Distraction Device

CMS has proposed for January 1, 2020 to move CPT code 22869 "Insertion of interlaminar/interspinous process stabilization/distraction device without open decompression or fusion, including image guidance when performed, lumbar; single level" from APC 5116 to 5115. This change in 2020 would result in a 22% decrease in payment to Outpatient Hospital and Ambulatory Surgical Center facilities. The charges that led to changing the APC placement for these procedures may be due to incorrect facility reporting. This is supported by the fact that the geometric mean cost for CPT 22869 from 2018 to 2019 decreased by 30% while the median cost only decreased by 4%, indicating that a few outlier facilities could have drastically changed the results. Due to the late release of the rule we are unable to definitively confirm this. However, AdvaMed believes that CPT code 22869 should remain in APC 5116 in CY 2020, as it was in 2019.

- ***AdvaMed request that the Panel recommend that CMS reassign CPT 22869 to APC 5116 for CY 2020.***

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AdvaMed encourages the Panel to continue to recognize the unique challenges associated with device-dependent procedures and urges the Panel and CMS to carefully consider the timeliness, adequacy, and accuracy of the data and the unique perspective that manufacturers bring to these issues.

Thank you.

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