

Request for Level 6 Neurostimulator and Related Procedures APC

HOP PANEL PRESENTATION

NEUROMODULATION PAYMENT POLICY (NPP) COALITION

AUGUST 22/23, 2022

Presentation Summary

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HCPCS Codes Involved:

The codes involved include 0266T, 0268T, 0424T, 0431T, and 64568. These represent system implants across various disease states.

APCs Affected:

CY 2023 proposed APC 5465, Level 5 Neurostimulator and Related Procedures

Description of the Issue:

The CY 2023 proposed Neurostimulator and Related Procedures APC structure does not appropriately account for the increased hospital resources associated with these procedures. This is due to the fact that two procedures dominate the claims volume within the APC and both have a much lower GMC compared to these technologies. This creates a financial burden for hospitals to provide these therapies to Medicare beneficiaries, most of which have few or no other treatment options.

Clinical Description of the Services

These procedures represent unique, fully implantable stimulation systems which treat a wide range of disease states including heart failure, epilepsy and treatment resistant depression.

Recommendation and Rationale for Change

In response to CMS' request for comments, the NPP recommends CMS create a Level 6 Neurostimulator and Related Procedures APC and reassign five CPT codes (0266T, 0268T, 0424T, 0431T, and 64568) from APC 5465 to APC 5466. This will facilitate a smoother distribution of costs, and maintain clinical and resource homogeneity. This also supports CMS' policy of removing barriers for new technologies to ensure patient access to transformative technologies.

Potential Consequences of Not Making the Change

Hospitals will not be able to afford to offer these therapies to patients if the payment rate is consistently below the GMC of these therapies. In addition, it creates substantial barriers to access for Medicare beneficiaries with limited or no other treatment options.

NPP Coalition

- NPP Coalition was formed in 2019, and includes companies with stimulation technologies to treat a range of diseases
 - CVRx – Barostimulation for heart failure (Carotid Sinus Baroreflex Activation Therapy)
 - LivaNova – Neurostimulation for epilepsy and treatment resistant depression (Vagal Nerve Stimulation)
 - Respicardia – Neurostimulation for central sleep apnea (Phrenic Nerve Stimulation)
 - JD Lymon Group (consultant and NPP Coalition convener)
- Purpose was to analyze the CMS hospital outpatient payment structure related to stimulation technologies and to recommend changes to better reflect hospital resource requirements, thereby helping to ensure Medicare beneficiaries have access to these technologies

Current State

- Today, the majority of stimulation system implants map to APC 5465
 - APC 5465 includes a collection of stimulation systems that treat a wide range of diseases (e.g., chronic pain, epilepsy, heart failure, sleep apnea, etc.)
- However, two procedures (CPT code 66385, 61886) represent ~88% of single claims for rate setting and essentially set the payment level for APC 5465
- As a result, stimulation system technologies that require substantially more resources represent a financial burden to hospitals
 - These technologies are all unique PMA devices which required greater research, development, and clinical evidence resources, contributing to their higher costs
 - Various procedures in this APC (0266T, 0268T, 0424T, 0431T, 64568) have geometric mean costs (GMCs) which far exceed the payment assignment in this APC

APC 5465 Neurostimulator and Related Procedures

APC / CPT	Description	2023 Proposed (CMS-1772-P)				
		Single Claims	% of claims in APC	Geometric Mean Cost (GMC)	% of APC Payment	Absolute Diff. from APC GMC
5465	Level 5 Neurostimulator and Related Procedures APCs	15,062	100%	\$30,198	NA	NA
63685	Insrt/redo spine n generator	10,152	67%	\$30,017	99.4%	\$181
61886	Implant neurostim arrays	3,150	21%	\$28,126	93.1%	\$2,072
64568	Inc for vagus n elect impl	1,600	11%	\$36,212	119.9%	(\$6,014)
0424T	Insj/rplc nstim apnea compl	60	0.4%	\$52,471	173.8%	(\$22,272)
0266T	Implt/rpl crtd sns dev total	43	0.3%	\$8,368	27.7%	TBD*
6188E	Complexity adjustment	36	0.2%	\$44,395	147.0%	(\$14,196)
0268T	Implt/rpl crtd sns dev gen	11	0.1%	\$35,575	117.8%	(\$5,377)
0427T	Insj/rplc nstim apnea pls gn	3	0.0%	\$26,734	88.5%	\$3,893
0316T	Replc vagus nerve pls gen	3	0.0%	\$26,305	87.1%	\$3,465
0431T	Rmvl/rplc nstim apnea pls gn	2	0.0%	\$33,626	111.3%	(\$3,427)
0312T	Laps impltj nstim vagus	2	0.0%	\$57,775	191.3%	(\$27,576)

These two procedures represent 88% of total claims in the APC, which in turn drives the GMC and payment level for APC 5465

Codes listed in red indicate the procedures included in Level 6 Neurostimulator and Related Services APC

*This technology currently has transitional pass-through status (C1825). When including the cost of C1825, the GMC of 0266T is significantly greater than the GMC of APC 5465

A New Level 6 APC Distributes Costs More Evenly Across all Stimulation Technologies

- Our analysis of including the five CPT codes* in a new Level 6 Neurostimulator and Related Procedures APC (5466) shows a higher GMC than listed in Table 26 of the proposed rule
- Updated analysis shows the difference in GMCs from proposed APC 5465 and the requested APC 5466 of \$5,157

APC	Neurostimulator and Related Procedures	CMS Proposed 2023		Table 26		NPP Request for 2023	
		Single Claims	GMC	Single Claims	GMC	Single Claims	GMC
5461	Level 1	4,730	\$3,491	Not listed	\$3,491	4,730	\$3,491
5462	Level 2	11,680	\$6,808	Not listed	\$6,808	11,680	\$6,808
5463	Level 3	1,151	\$12,980	Not listed	\$12,980	1,151	\$12,980
5464	Level 4	12,716	\$20,059	Not listed	\$20,059	12,716	\$20,059
5465	Level 5	15,062	\$30,198	Not listed	\$29,434	13,346	\$29,592
5466	Level 6	----	----	Not listed	\$33,947	1,716	\$35,355**

*CPT codes 0266T, 0268T, 0424T, 0431T, 64568

**Does not include device costs associated with CPT code 0266T and C1825 (43 single claims)

CMS Realignment of the Neurostimulator and Related Services APC Family

- For CY 2021, CMS reconfigured the Neurostimulator APC family by creating a new APC level (APC 5463) stating that the APC changes “allowed for a smoother distribution of the costs between the different levels based on their resource costs and clinical characteristics”
- CMS created this change based on 829 single claims, and the GMC of the new APC was \$4,892 greater than the GMC of the existing APC 5462
- The request for a Level 6 Neurostimulator and Related Services APC is based on over 1,700 claims and results in a GMC difference of \$5,157
- Thus, while CMS reiterates in the proposed rule that the OPPS is a prospective payment system, the request for a Level 6 Neurostimulator APC is consistent with previous CMS APC realignment

Request Summary

- We request that CMS create a Level 6 Neurostimulator and Related Services APC effective January 1, 2023
- We request that CMS assign five CPT codes to this new Level 6 APC effective January 1, 2023, including the following:
 - CPT codes 0266T, 0268T, 0424T, 0431T and 64568
- We believe that creating this new APC aligns with CMS' intent to provide a smoother distribution of costs between the levels based on their resource costs, and ensure continued Medicare beneficiary access to these critical stimulation system technologies