

August 5, 2022

E.L. Hambrick, M.D., J.D.
CMS Chairperson
Advisory Panel on Hospital Outpatient Payment
Centers for Medicare and Medicaid Services
7500 Social Security Boulevard
Baltimore, MD 21244-1850

Submitted via MERIS systems

Dr. Hambrick:

On behalf of the undersigned organizations, we request the opportunity to present before the Advisory Panel on Hospital Outpatient Payment at the upcoming August meeting. Our concerns relate to CMS's proposed changes to APC 5731- Level I Minor Procedures and the resulting distortion in the payment rate that impacts pulmonary rehabilitation (HPCPS G0237 & G0238) and other services within that APC. We intend to present the panel our analysis of the cause of the payment distortions and our recommendations on how CMS could resolve the issue in its final rulemaking for CY 2023.

Key points we will make in the presentation include:

- APC 5731 is currently composed of codes that lack clinical coherence. The APC includes codes with widely varied clinical times, clinical intensity, inputs and costs.
- APC 5731 includes many services with costs that violate CMSs "2 times" rule.
- The addition of COVID-19 nasal swab testing (HCPCS C9803) – a low cost and high-volume service – completely overwhelms and distorts the payment rate for the entire APC 5731 which includes over 35 services.

Our organizations will review several options to address the above problems with APC 5371 and its impact on pulmonary rehabilitation for the Panel's consideration.

- Split the current APC 5731 into two APCs to better account for clinical coherence – grouping testing (pathology & laboratory) services in one APC with clinical services in a separate APC
- Split the current APC 5731 into two APCs to better account for the wide range of clinical services and cost variances with current APC

We look forward to the opportunity to present our recommendations at the upcoming Advisory Panel on Hospital Outpatient Payment meeting. If you have questions or need additional information, please contact Denise Merlino (merlinohccc@gmail.com), Gary Ewart (gewart@thoracic.org) or Karen Lui (karen@advocate4action.com).

Sincerely,

American Association for Respiratory Care
American Association of Cardiovascular and Pulmonary Rehabilitation
American Thoracic Society
CHEST