

**Comments to
Centers for Medicare and Medicaid Services
Advisory Panel on Hospital Outpatient Payment
August 5, 2022**

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On behalf of the
Advanced Medical Technology Association**

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 Medicare beneficiaries have timely access to new technologies.

AdvaMed member companies produce the medical devices, diagnostic products, and health information systems 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 the following topics:

- Reconfiguring APCs
- Comments on Specific APCs

Reconfiguring APCs

Complexity Adjustments

CMS has developed a process for identifying and applying complexity adjustments to certain combinations of codes as 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 OPPI/ASC final rule but believe important opportunities to refine the methodology remain.

AdvaMed recommends the Panel:

- *Request 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; and*
- *Request CMS continue to report on the impact of applying complexity criteria on APC assignments for code combinations within the comprehensive APCs.*

Comments on Specific APCs

Removing Biliary Endoscopy from the Inpatient Only List

CPT Add-On Code +47550 (Biliary endoscopy, intraoperative (choledochoscopy) (List separately in addition to code for primary procedure)) was added to CMS' Inpatient Only (IPO) list 22 years ago. Biliary endoscopy procedure, including choledochoscopy, have been deemed safe in the outpatient setting through peer-reviewed clinical evidence for more than 20 years.^{1,2,3,4} Medicare claims data demonstrates hospitals are equipped to perform this procedure outpatient, and it can be safely performed in the outpatient setting. Since 2013, Medicare outpatient procedure volumes for CPT code +47550 have been consistent, ranging from 13.3% to 21.5%.⁵ Moreover, CPT code +47550 is related to primary procedures that are not on the IPO List.

AdvaMed therefore recommends the Panel:

- *Recommend CMS remove CPT code +47550 from the IPO List effective January 1, 2023.*

Proposed APC Placement for Abdominal Hernia Repair Procedures

Beginning January 1, 2023, anterior abdominal hernia repair procedures will be reported with a new range of CPT codes, 49X01 through 49X12. In the CY 2023 OPPI/ASC proposed rule, CMS is proposing to assign all of the new CPT codes for

¹ Berci G. **Intraoperative and postoperative biliary endoscopy (choledochoscopy).** Surg Clin North Am. 1989 Dec;69(6):1275-86. doi: 10.1016/s0039-6109(16)44988-1. PMID: 2595523.

² Venbrux AC, Robbins KV, Savader SJ, Mitchell SE, Widlus DM, and Osterman FA, **Endoscopy as an adjuvant to biliary radiologic intervention.** Jr Radiology 1991 180:2, 355-361.

³ Bower BL, Picus D, Hicks ME, Darcy MD, Rollins ES, Kleinhoffer MA, Weyman PJ. **Choledochoscopic stone removal through a T-tube tract: experience in 75 consecutive patients.** J Vasc Interv Radiol. 1990 Nov;1(1):107-12. doi: 10.1016/s1051-0443(90)75213-4.

⁴ Hazey JW, McCreary M, Guy G, Melvin WS. **Efficacy of percutaneous treatment of biliary tract calculi using holmium:YAG laser.** Surg Endosc. 2007 Jul;21(7):1180-3. doi: 10.1007/s00464-006-9168-6. Epub 2007 Feb 8. PMID: 17287911.

⁵ 2013-2020 Medicare PPSF Medicare Claims Data File.



abdominal hernia repair procedures to APC 5341 (Abdominal/Peritoneal/Biliary and Related Procedures). We are concerned the proposed APC placement of these new codes will result in inadequate payments to hospitals relative to the costs of performing many of these procedures.

CMS is proposing a payment rate of \$3,236 for APC 5341. In contrast, in CY 2022, the current abdominal procedures are payable under three different APCs based on procedure cost:

APC	Description	Proposed Geometric Mean Cost
5341	Abdominal/Peritoneal/Biliary and Related Procedures	\$3,264
5361	Level 1 Laparoscopy and Related Procedures	\$5,537
5362	Level 2 Laparoscopy and Related Procedures	\$9,608

The existing CPT codes used to report abdominal hernia repair are not a one-to-one mapping to the new CPT codes; in some cases, the existing CPT code may map to six new CPT codes. Furthermore, the new CPT codes differentiate based on size of hernia (<3 cm, 3 to 10 cm, or >10 cm) in addition to indicating whether the hernia repair is initial or recurrent, and reducible or incarcerated/strangulated. Because there is no available source of data that characterizes procedures based on hernia size, it is not feasible to model the costs of the new anterior abdominal hernia repair CPT codes.

However, we do know that, based on the CMS 2023 NPRM CPT Cost File, only 35% of the 31,000 abdominal hernia repair procedures currently fall into APC 5341. The remaining 65% of abdominal hernia repairs are in APC 5361 or 5362, with the weighted geometric mean costs for abdominal hernia repair procedures in each APC of \$6,438 and \$7,899, respectively. The overall weighted mean cost of all of the current abdominal hernia repair procedures, across these three APCs, is \$5,809.

We recognize the challenge of mapping new CPT codes to APCs for rate setting. However, CMS' proposed APC assignment of abdominal hernia repair codes fails to consider the cost and complexity of large, recurrent hernia repair procedures, and would result in a significant payment reduction for at least 65% of abdominal hernia repair encounters.

AdvaMed therefore recommends the Panel:

- *Recommend CMS implement an alternative to the proposed placement of all abdominal hernia procedures in APC 5341.*

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