

Advisory Panel Meeting on Hospital Outpatient Payment

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Background and APC Reassignment Request for CPT 31647

Background

- Endobronchial Valves are implantable valves indicated for the bronchoscopic treatment of adult patients with hyperinflation associated with severe emphysema. Endobronchial valves are intended to occlude airways of a hyperinflated lobe of the lung that is diseased with emphysema.
- CPT code 31647 is used to report the procedure of placing endobronchial valves:
 - Bronchoscopy, rigid or flexible, including fluoroscopic guidance, when performed; with balloon occlusion, when performed, assessment of air leak, airway sizing, and insertion of bronchial valve(s), initial lobe.

APC Reassignment Request

- Given that for years the geometric mean costs for this code significantly exceeded the geometric mean costs of APC 5155 in which it has been placed, this code should be reassigned to a different APC starting January 1, 2027.
 - With no higher level APC in the family that includes APC 5155, APC 1575 would be an appropriate new technology APC for the service, as recommended by the Panel last year.

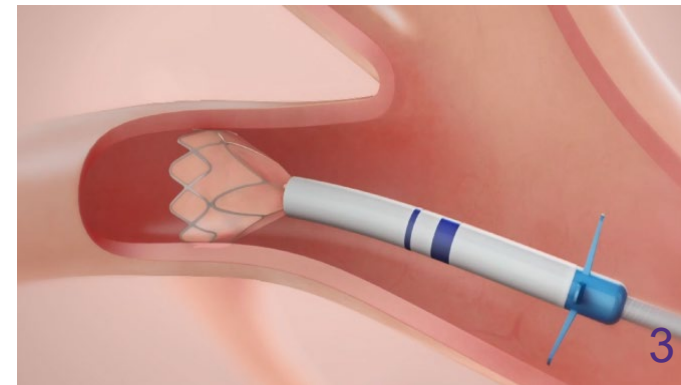
How Zephyr® Valves Work



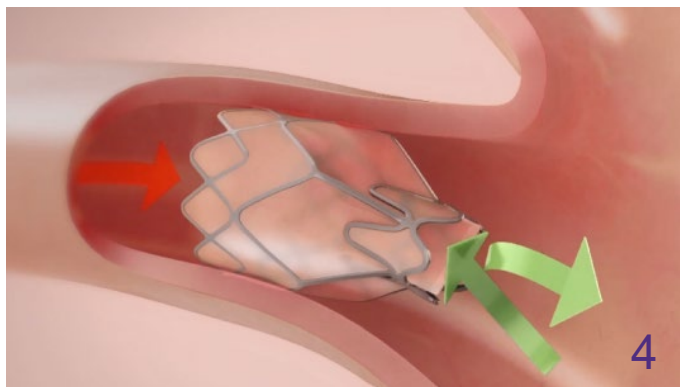
Bronchoscope introduced into lungs of patient with diseased, hyperinflated lobe



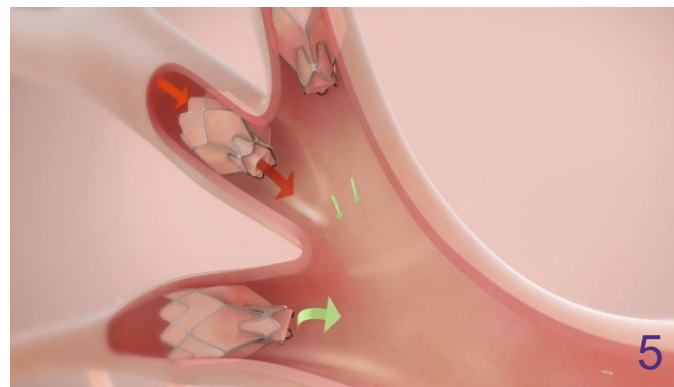
Delivery catheter advanced into target lobe through bronchoscope



Valve size chosen in one-step procedure and delivered to seal target airway



Zephyr Valve allows trapped air to escape but not to re-enter



Typically 3–5 **Zephyr® Valves** delivered to fully occlude diseased lobe



Hyperinflation in target lobe is reduced, improving lung function and breathlessness

From 2027 NPRM CPT Cost Stats (Proposed Rule)

Costs for Hospital Outpatient Services, by HCPCS code for CY 2027 (Proposed Rule)											
HCPCS	SI	APC	Payment Rate	Single Frequency	Total Frequency	Minimum Cost	Maximum Cost	Median Cost	Geometric Mean Cost	CV	Deleted Code Used in APC Costs
31647	J1	51550	\$8,324.54	84	84	\$3,636.79	\$51,977.63	\$12,527.67	\$11,455.92	58.247	
3164A	J1	51550	\$8,324.54	71	71	\$2,281.55	\$70,993.98	\$11,258.34	\$11,310.46	89.335	
31294	J1	51550	\$8,324.54	4	4	\$8,721.54	\$13,071.82	\$11,751.19	\$11,190.85	17.089	
31636	J1	51550	\$8,324.54	388	392	\$2,626.66	\$41,051.38	\$10,087.28	\$10,084.24	48.562	
31298	J1	51550	\$8,324.54	81	81	\$2,920.72	\$30,313.57	\$10,216.17	\$10,011.90	44.307	
31296	J1	51550	\$8,324.54	390	392	\$2,552.38	\$32,449.42	\$9,347.46	\$9,407.85	44.271	
31626	J1	51550	\$8,324.54	2554	2576	\$2,084.77	\$41,234.85	\$8,848.12	\$9,151.25	57.456	
31276	J1	51550	\$8,324.54	4254	4282	\$2,007.42	\$38,185.52	\$8,884.07	\$8,870.33	47.66	
31292	J1	51550	\$8,324.54	15	15	\$3,368.68	\$17,620.81	\$9,319.99	\$8,851.73	46.447	
3165B	J1	51550	\$8,324.54	26	26	\$2,554.23	\$21,224.24	\$10,503.15	\$8,125.36	45.573	
3162S	J1	51550	\$8,324.54	23219	23405	\$1,621.46	\$40,829.06	\$7,778.16	\$8,016.11	57.074	
31253	J1	51550	\$8,324.54	1428	1435	\$1,900.90	\$33,179.84	\$7,851.80	\$7,856.59	49.671	
31290	J1	51550	\$8,324.54	7	7	\$2,952.03	\$14,225.96	\$9,137.70	\$7,802.02	47.434	
31259	J1	51550	\$8,324.54	531	531	\$1,990.56	\$29,179.36	\$7,608.82	\$7,627.79	51.165	
31295	J1	51550	\$8,324.54	58	59	\$2,553.82	\$21,810.40	\$7,810.37	\$7,564.22	43.456	
31257	J1	51550	\$8,324.54	451	456	\$1,939.33	\$35,997.41	\$7,026.47	\$7,264.58	50.114	
31631	J1	51550	\$8,324.54	107	108	\$2,178.67	\$29,713.98	\$8,038.02	\$7,253.83	53.916	
3162R	J1	51550	\$8,324.54	5820	5865	\$1,388.42	\$40,970.53	\$7,012.51	\$7,203.62	62.357	
31660	J1	51550	\$8,324.54	9	9	\$4,888.40	\$11,736.06	\$6,684.25	\$6,893.96	26.79	
31293	J1	51550	\$8,324.54	21	21	\$3,134.63	\$10,830.13	\$7,567.19	\$6,857.85	28.924	
3164X	J1	51550	\$8,324.54	78	78	\$1,411.69	\$29,715.71	\$6,659.21	\$6,633.27	58.141	
31287	J1	51550	\$8,324.54	225	226	\$2,250.47	\$24,776.37	\$6,353.71	\$6,630.56	49.59	
31255	J1	51550	\$8,324.54	1221	1228	\$1,731.29	\$25,413.52	\$6,532.49	\$6,551.57	47.266	
3123S	J1	51550	\$8,324.54	50	50	\$2,700.76	\$15,098.00	\$6,536.70	\$6,501.78	37.952	
31297	J1	51550	\$8,324.54	12	12	\$2,082.17	\$20,002.97	\$6,643.72	\$6,427.11	62.718	
31254	J1	51550	\$8,324.54	1681	1688	\$1,608.01	\$23,436.20	\$6,089.01	\$6,109.25	46.809	
31288	J1	51550	\$8,324.54	390	391	\$1,566.51	\$21,225.33	\$6,033.56	\$6,058.95	48.214	
31661	J1	51550	\$8,324.54	3	3	\$5,494.61	\$6,426.85	\$5,508.31	\$5,794.08	9.197	
31267	J1	51550	\$8,324.54	1506	1520	\$1,344.66	\$22,907.63	\$5,451.42	\$5,481.08	47.427	
31561	J1	51550	\$8,324.54	90	90	\$2,002.77	\$15,865.74	\$4,811.90	\$5,243.54	48.554	
31560	J1	51550	\$8,324.54	18	18	\$2,769.04	\$13,358.44	\$5,244.79	\$5,233.62	44.275	
31638	J1	51550	\$8,324.54	141	141	\$829.56	\$33,249.01	\$4,606.51	\$5,043.77	89.048	
31546	J1	51550	\$8,324.54	3	3	\$3,734.77	\$5,769.69	\$4,763.76	\$4,682.26	21.393	
31634	J1	51550	\$8,324.54	76	78	\$509.14	\$15,559.84	\$4,381.95	\$4,551.87	62.443	

Reassignment request

- Claims data from the last 4 years indicate that the geometric mean costs for this procedure (CPT 31647) have been stable and significantly exceed the geometric mean costs for the APC in which it is placed (5155):

Year (OPPS rule)	CPT 31647 geometric mean costs	APC 5155 geometric mean costs
2024	\$11,824	\$6,703
2025	\$12,167	\$7,006
2026	\$11,037	\$7,266
2027	\$11,456	\$7,778

- CPT code 31647 should be assigned to a different APC than APC 5155 and, with no clinically and resource coherent alternative clinical APC, the service should be assigned to new technology APC 1575 (New Technology – Level 38 (\$10,0001-\$15,000)).
- As the Panel recommended last year, the Panel should recommend that CMS assign CPT code 31647 to APC 1575.