

Request for Level 6 Neurostimulator and Related Procedures APC

ADVISORY PANEL ON HOSPITAL OUTPATIENT PAYMENT PRESENTATION
NEUROMODULATION PAYMENT POLICY (NPP) COALITION

AUGUST 25, 2025

Neuromodulation Payment Policy (NPP) Coalition

- NPP Coalition was formed in 2019, and includes companies with stimulation technologies to treat a range of diseases

Company	CPT Code	Stimulation Therapy	Current Payment Status
CVRx	0266T/64XX5	Baroreflex activation therapy for heart failure	Proposed New Tech APC
ZOLL Respicardia	33276	Phrenic nerve stimulation for central sleep apnea	Proposed New Tech APC
LivaNova	64568	Vagus nerve stimulation for epilepsy and treatment resistant depression	APC 5465
MicroTransponder	64568	Paired vagus nerve stimulation for stroke rehabilitation	TPT Expires December 31, 2025
SetPoint Medical	0908T	Vagus nerve stimulation for rheumatoid arthritis	n/a

- Purpose is to ensure Medicare beneficiary access to critical technologies by recommending solutions to better match hospital payment with resource requirements

CY 2026 Request for a Level 6 APC

- **We ask that the Panel reaffirm last year's recommendation that CMS create a new Level 6 Neurostimulator and Related Services (APC 5466) effective January 1, 2026**
 - The Panel voted in support of this initiative last year
 - CMS moved two Coalition technologies to New Technology APCs at the expiration of their respective TPTs recognizing that the Level 5 APC payment is insufficient, but has stopped short of creating a Level 6 APC
- **The hospital claims data and rationale remain consistent:**
 - Multiple stimulation technologies have total GMCs ranging from ~\$41,000-\$50,000
 - Placing any of these technologies in APC 5465 creates a significant financial loss to hospitals and will negatively impact Medicare beneficiary access
 - Creating a new clinical Level 6 APC is consistent with CMS' APC payment methodology
 - There are sufficient claims to analyze and set an appropriate payment level for a Level 6 Neurostimulator APC

Addressing CMS' comments in the proposed rule

- In the CY 2026 proposed rule, CMS reiterated that the OPPS is a prospective payment system, and over/under payments will average out
- Hospitals do not make decisions according to the “average out” concept in situations of substantial underpayment:
 - Medical centers **evaluate financial impact at the procedure level** and procedure economics cannot “average out” across specialty areas that are **managed separately in a hospital**
 - NPP technologies are only offered by **highly-specialized facilities**. Only 15% of centers that offer neurostimulators offer NPP technologies and **will disproportionately incur all associated losses**

99% of claims in APC 5465 are associated with four procedures primarily for pain, OSA and DBS IPG placement

NPP technologies cover different diseases managed separately in the hospital:

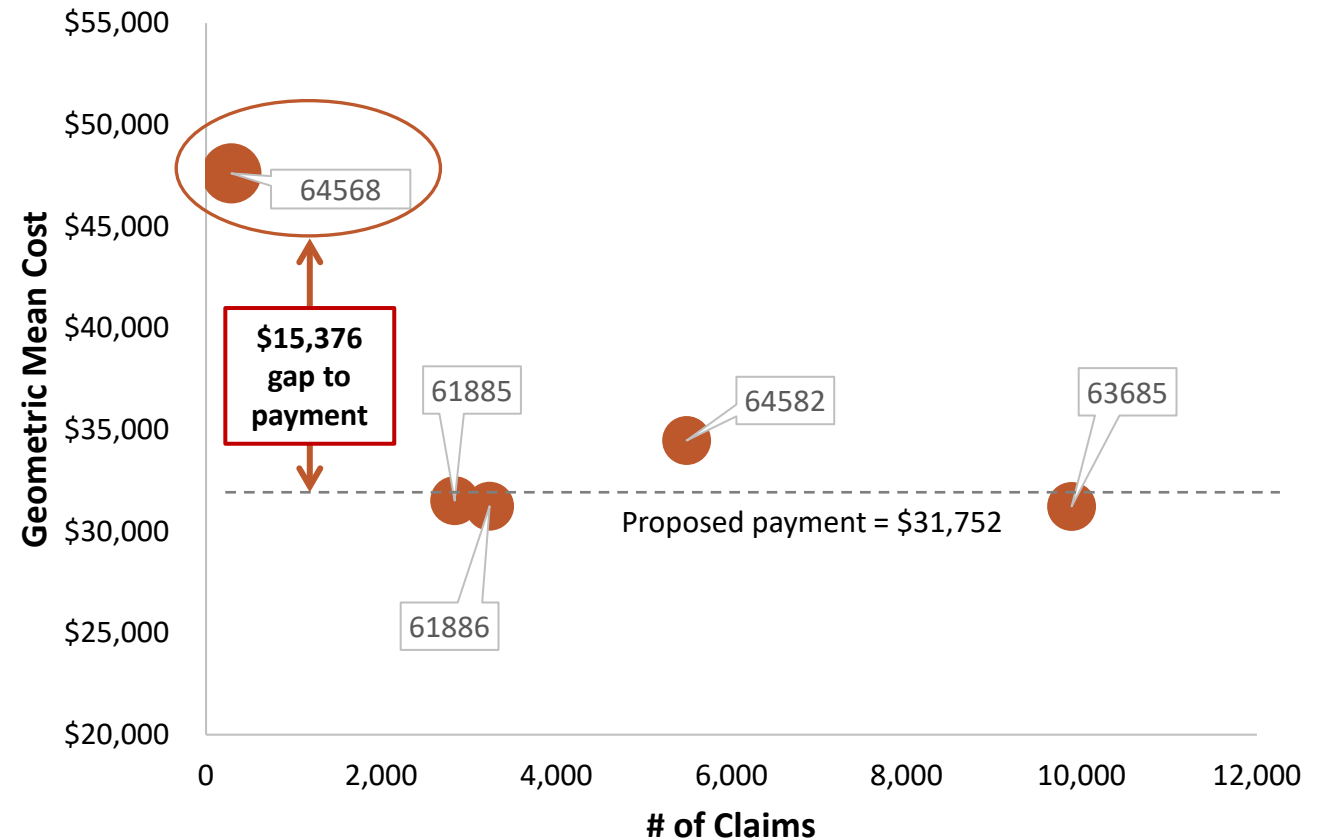
- Epilepsy
- Treatment resistant depression
- Stroke
- Central Sleep Apnea
- Heart Failure

These specialty areas will not “average out” losses.

Proposed APC 5465 Procedures

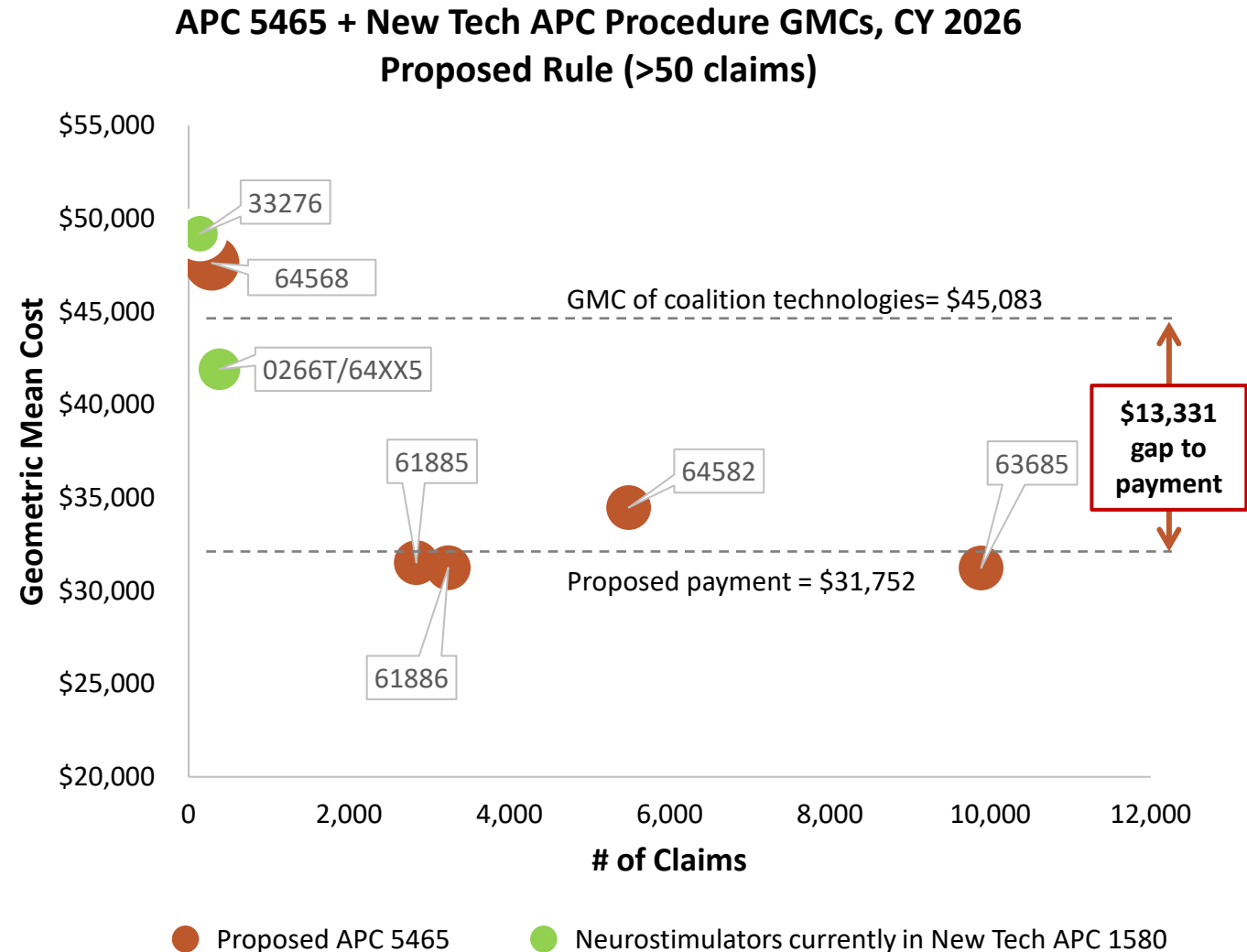
- 99% of total claims in APC 5465 come from 4 established procedures that have GMCs clustered closely around the proposed payment rate
- CPT 64568 has a GMC of \$47,613, **(\$15,376)** lower than the APC payment
- **Hospitals that cannot financially accept this loss will directly impact beneficiary access to these procedures**

APC 5465 Procedure GMCs, CY 2026 Proposed Rule (>50 claims)



Anticipating potential future APC 5465 challenges

- Similar losses would occur for other Coalition technologies if moved into APC 5465
- We applaud CMS for recognizing the payment gap for two technologies – 33276 and 0266T/64XX5 – and maintaining assignment to New Tech APC 1580 for CY 2026
- We contend that a Level 6 APC is the most appropriate way to ensure permanent and appropriate payment



Request Summary

- **We ask that the Panel reaffirm last year's recommendation that CMS create a new Level 6 Neurostimulator and Related Services (APC 5466) effective January 1, 2026**
- This new APC should include CPT codes 0266T/64XX5, 33276 and 64568 based on the GMC of each procedure being > \$40,000
- We believe that creating this new APC aligns with CMS' methodology:
 - The difference between the GMC of APC 5465 (~\$32,000) and the Coalition procedures (\$45,000) is a meaningful distinction between services costs
 - Provides hospital payment stability and consistency as 0266T/64XX5 and 33276 have similar volumes and GMCs than 64568, but are treated differently for payment
 - Allows for smoother transition for similar procedures transitioning off the IPO list
 - Most importantly, a Level 6 Neurostimulator APC ensures continued Medicare beneficiary access to critical stimulation system technologies