

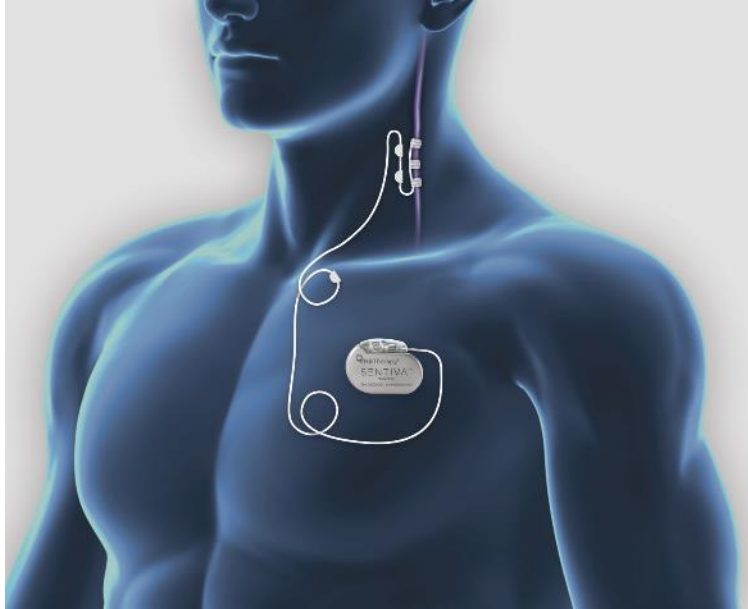


**CY 2025 APC Request
for CPT 64568**

**Advisory Panel on Hospital
Outpatient Payment**

August 26-27, 2024

Vagus Nerve Stimulation (VNS) Therapy and Drug-Resistant Epilepsy (DRE)



VNS

- A 1-2 hour outpatient surgical procedure
- Intermittent mild electrical pulses delivered to left vagus nerve
- Pulse generator implanted subcutaneously

DRE

- DRE patients have failed 2+ anti-seizure medications
- Each additional ASM prescribed has a nominal incremental impact on achieving seizure control
- VNS implanted Medicare patients have a 52% reduction in epilepsy-related ER visits and hospitalizations

LivaNova Supports the Creation of a Level 6 Neurostimulator APC for 2025 or Requests CMS Move CPT 64568 into APC 1580

Preferred Action

Create a new Level 6 Neurostimulator and Related Services APC

- Proposed Level 5 rate of \$30,198 and 64568's geometric mean cost of \$44,127 is a large per procedure financial loss for hospitals and affects access to care
- Several neurostimulator technologies have similar geometric mean costs hovering around \$45,000 with 500+ total single claims
- Establishing a Level 6 APC will better cover provider cost and promote access to care for patients with few remaining treatment options across patient groups

Alternative Request

Move 64568 to APC 1580 until CMS is ready to resolve Neurostimulator APC question

- CMS previously placed two similar technologies in APC 1580 as they have similar geometric mean costs of ~\$45,000 saying that level of cost was “substantially higher” than APC 5465
- Claims data have not reflected true cost of VNS until hypoglossal nerve stim received code 64582 in 2022
- Affords CMS more time to consider Level 6 decision while supporting patient access to care and more appropriately covering hospital costs

LivaNova Supports the Creation of a Level 6 Neurostimulator APC for 2025

- APC 5465's mean cost and payment rate are driven by higher volume and lower cost procedures that represent 96% of the APC's claims
- 64568 represents ~1% of APC 5465's claims and will never have a material effect on APC mean costs or its payment rate
- Hospitals evaluate the financial viability of treatments on a procedure level basis not across the totality of its Medicare OPPS business
- Hospital procedure losses in the ~\$15,000 range can lead to reduced patient access from hospitals dropping procedures, not allowing procedures and limiting case volume
- According to a Braid Forbes Health Research analysis of the proposed rule data a hypothetical Level 6 APC's GMC is \$43,010.29 nearly \$12,000 more than the mean cost of APC 5465 or Level 5

Alternative ask: move 64568 to APC 1580

CPT 64568						
Years	HCPCS	APC	Payment Rate	Single Frequency	Total Frequency	Geometric Mean Cost
2019 / 2017	64568	5464	\$27,697.85	1069	1083	\$34,404.08
2020 / 2018	64568	5464	\$29,115.50	891	902	\$37,641.68
2021 / 2019	64568	5465	\$29,444.52	995	1010	\$37,932.81
2022 / 2020	64568	5465	\$30,063.48	995	1010	\$37,934.20
2023 / 2021	64568	5465	\$29,358.48	1896	1911	\$35,855.91
2024 / 2022	64568	5465	\$29,617.07	247	250	\$45,175.12
2025p / 2023	64568	5465	\$30,197.67	211	221	\$44,127.27

Key Takeaways:

The last several years of claims data demonstrates the true cost of delivering care covered by 64568 is not fully known.

64568 is like a new code where the cost of delivering care is not fully understood justifying placement in APC 1580.

History of 64568

- CY 2017-2020: consistent procedure volume of ~1000 and GMC of ~\$35,000 to ~\$37,000
- CY 2021: sleep apnea procedure volume surges doubling frequency
- CY 2022: sleep apnea procedure gets its own code (64582)
- CY 2022: 64568 procedure frequency drops significantly BUT GMC cost jumps to ~\$45,000
- CY 2023: proposed 2025 rule 64568 data shows comparable single frequency volume with stable GMC of \$44,000

LivaNova Supports the Creation of a Level 6 Neurostimulator APC for 2025 or Requests CMS Move CPT 64568 into APC 1580

Preferred Action

Create a new Level 6 Neurostimulator and Related Services APC

- Staying in APC 5465 results in a significant loss to hospital outpatient departments affecting access
- 500+ claims across several technologies demonstrates consistent need for a Level 6 APC
- Establishing a Level 6 APC will bring consistency and smoothed costs across the Neurostimulator family of APCs

Alternative Request

Move 64568 to APC 1580 until CMS is ready to resolve Neurostimulator APC question

- CMS history is clear that neurostimulator costs in the mid \$40k range are “substantially higher” than APC 5465
- 64568 is like a new code where the cost of care is not fully understood or accounted for in its APC assignment
- Assignment to APC 1580 affords CMS more time to assess a Level 6 while not affecting patient access to care