

CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

Advisory Panel on Ambulatory Payment Classification (APC) Groups August 5–6, 2009

Recommendations

APC Placement Issues

1. The Panel recommends that CPT code 0193T, *Transurethral, radiofrequency micro-remodeling of the female bladder neck and proximal urethra for stress urinary incontinence*, remain in APC 0165, Level IV Urinary and Anal Procedures.
2. The Panel recommends that CPT code 43273, *Endoscopic cannulation of papilla with direct visualization of common bile duct(s) (List separately in addition to code[s] for primary procedure)*, remain in APC 0151, Endoscopic Retrograde Cholangio-Pancreatography (ERCP).
3. The Panel recommends that CMS reconsider creating a new composite APC or group of composite APCs for cardiac resynchronization therapy procedures.
4. The Panel supports the neurostimulator generator implantation APC configurations for calendar year 2010 proposed by CMS: CPT code 61885, *Insertion or replacement of cranial neurostimulator pulse generator or receiver, direct or inductive coupling; with connection to a single electrode array*; CPT code 64590, *Insertion or replacement of peripheral or gastric neurostimulator pulse generator or receiver, direct or inductive coupling*; and CPT code 63685, *Insertion or replacement of spinal neurostimulator pulse generator or receiver, direct or inductive coupling; with connection to two or more electrode arrays*, in APC 0039, Level I Implantation of Neurostimulator Generator; and CPT code 61886, *Insertion or replacement of cranial neurostimulator pulse generator or receiver, direct or inductive coupling; with connection to two or more electrode arrays*, in APC 0315, Level II Implantation of Neurostimulator Generator.
5. The Panel requests that CMS provide data at the next Panel meeting on the frequency of primary and add-on CPT codes billed for Apligraf, Oasis, and Dermagraft application in order to assess the apparent variability in billing for the application of these products. In addition, the Panel requests median cost data for site preparation and debridement that may be separately reported in preparation for application of Dermagraft.

6. The Panel recommends that CMS maintain the calendar year 2009 APC assignments and status indicators for the following allogeneic stem cell transplantation procedures: CPT code 38205, *Blood-derived hematopoietic progenitor cell harvesting for transplantation, per collection; allogeneic*; and CPT code 38242, *Bone marrow or blood-derived peripheral stem cell transplantation; allogeneic donor lymphocyte infusions*, in APC 0111, Blood Product Exchange, and CPT code 38240, *Bone marrow or blood-derived peripheral stem cell transplantation; allogeneic*, in APC 0112, Apheresis and Stem Cell Procedures. Therefore, the Panel recommends that CPT codes 38205, 38242, and 38240 not be placed on the inpatient list.

Data Issues

7. The Panel recommends that the work of the Data Subcommittee continue.

Packaging Issues

8. The Panel recommends that CMS submit to the Packaging Subcommittee, for its ongoing review, common clinical scenarios involving currently packaged HCPCS codes and recommendations of specific services or procedures for which payment would be most appropriately packaged under the OPPS.
9. The Panel recommends that when CMS changes the dollar amount of the drug packaging threshold and determines that some drugs within a single therapeutic class fall on either side of the packaging threshold, CMS consider packaging all of the drugs within that class on the basis of feedback from providers, the APC Panel, and stakeholders.
10. The Panel recommends that CMS continue to study the impact of increased packaging on beneficiaries.
11. The Panel recommends that the work of the Packaging Subcommittee continue.

Visits and Observation Issues

12. The Panel recommends that CMS provide the Visits and Observation Subcommittee with analysis of the most common diagnoses and services associated with Type A and Type B emergency department (ED) visits at the next meeting of the APC Panel, including analysis by hospital-specific characteristics.
13. The Panel recommends that CMS provide the Visits and Observation Subcommittee with analysis of calendar year 2009 claims data for clinic, ED (Type A and B), and extended assessment and management composite APCs at the next meeting of the Panel.

14. The Panel recommends that CMS provide the Visits and Observation Subcommittee with continued analysis of observation services, as previously provided to the Panel, including data on frequency, length of stay, and common diagnoses, as well as recovery audit contractor (RAC) data on these subjects if available.
15. The Panel recommends that the work of the Visits and Observation Subcommittee continue.

Drugs, Biologicals, Radiopharmaceuticals, and Pharmacy Overhead

16. The Panel applauds CMS for its effort to date to tailor the resource-based APC system to facilitate appropriate payment for diagnostic and therapeutic radiopharmaceuticals. The Panel recommends that CMS continue its dialogue with professional societies, vendors, and other stakeholders to improve the accuracy of APC payments for these complex items and services, including consideration of developing composite APCs.
17. The Panel recommends that CMS pay for all separately payable drugs at a rate of the average sales price (ASP) plus 6 percent. To provide payment at this level, which exceeds the cost of separately payable drugs in the claims data, the Panel recommends that CMS redistribute costs from packaged drugs to separately payable drugs, as outlined in the Notice of Proposed Rulemaking for calendar year 2010.
18. The Panel requests that CMS analyze the impact on different classes of hospitals of paying ASP plus 6 percent for separately payable drugs compared with calendar year 2009 payment at ASP plus 4 percent.
19. The Panel requests that CMS provide an impact analysis of payment for separately payable drugs at ASP plus 6 percent on payment rates for other services that use packaged drugs compared with calendar year 2009 payment at ASP plus 4 percent.
20. The Panel recommends that CMS and stakeholders continue to refine their analysis of payment for drugs, biologicals, and radiopharmaceuticals to assess the infrastructure costs associated with the preparation and handling of these products.