

GuidePoint

Simplifying Reimbursement

Neuromodulation

This document addresses common questions with regard to the Medicare CY 2010 changes in the Physician Fee Schedule (PFS) Final Rule as they relate to spinal cord stimulator (SCS) procedures.

1. What changes are taking place in Medicare physician payments for SCS procedures in 2010?

The Final Rule for physician services represents a significant victory for Boston Scientific Neuromodulation customers! Physician payments for SCS procedures are expected to remain relatively stable this year due in large part to concerted efforts of physicians and their respective medical societies submitting comments that prevented drastic cuts by CMS for SCS lead placement (CPT 63650) and SCS generator placement (CPT 63685) procedures.

While we have provided a summary of the “final” physician reimbursement rates below, please be aware that additional Congressional legislation will be required to override an additional Sustainable Growth Rate (SGR) reduction of 21.2% for services performed after March 1, 2010. **We have not included this additional reduction in the rates we present here and have instead used the temporary 2010 conversion factor¹.** As you may be aware, many in Washington expect that Congress will act to avert this cut, either as part of overall health reform or as a separate bill, but unless that happens the rates would be 21.2% lower than those you see here.

Table 1: 2010 Physician Payments for SCS Procedures

CPT Code ²	Procedure Description	FY 2009 Rate ³	CY 2010 Final Rate ⁴	% Change from 2009 vs. 2010 Final
63650	Percutaneous implantation of electrodes	\$ 379	\$ 394	+ 4.0%
63655	Laminectomy placement of neuroelectrodes, plate/paddle	\$ 774	\$ 803	+ 3.7%
63685	Insert/revision of spinal neurostimulator	\$ 370	\$ 373	+ 0.8%
95972	Programming, complex, 1 st hour	\$101:non-facility/ \$ 76: facility	\$102: non-facility/ \$76: facility	+1.0%: non-facility/ +0%: facility
95973	Programming, complex, each additional 30 min.	\$55:non-facility/ \$45: facility	\$57:non-facility/ \$46: facility	+3.6%: non-facility/ +2.2%: facility

2. What did CMS propose in the 2010 PFS Proposed Rule that might have had a negative impact on 2010 physician payments for SCS procedures?

CMS had proposed severe payment cuts for SCS percutaneous lead placement (CPT 63650) and SCS generator placement (CPT 63685) procedures of 26% and 16%, respectively, by reducing the physician work relative value units (RVUs) for these procedures. These procedures were included on a list of “potentially misvalued” codes for which there

¹ Department of Health and Human Services. Centers for Medicare and Medicaid Services. MLN Matters® Number: MM6796. <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6796.pdf>. National Average Medicare physician payment rates calculated using a 2010 conversion factor of \$36.0846. Rates subject to change and do not reflect a Sustainable Growth Rate reduction. Expiration date for MD rates: 01MAR2010 Subject to change.

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³ 2009 Medicare national reimbursement rates are shown without geographic adjustment for both facility and non-facility settings

⁴ 2010 Medicare national reimbursement rates are shown without geographic adjustment. Payment rates were calculated with the 2010 temporary conversion factor of \$36.0846 as a result of Congressional action in late December 2009. These payment rates are valid from January 1, 2010 through March 1, 2010.

have been shifts in site of service from the hospital inpatient setting to other settings. The Relative Value Update Committee (RUC) had adjusted physician work RVUs for SCS and other procedures in 2009. However, CMS objected to the validity of these RVUs in the proposed rule and instead had proposed changes that would have greatly reduced SCS payments.

Table 2: Comparison of Physician Work RVUs of 2009, 2010 Proposed, and 2010 Final Values

CPT	Descriptor	2009 Final Physician Work RVUs	2010 Proposed Physician Work RVUs	2010 Final Physician Work RVUs	% Change 2010 Proposed vs. 2009 Final	% Change 2010 Final vs. 2009 Final
63650	Percutaneous implant, neuroelectrodes	7.15	4.18	7.20	-42%	+0.6%
63685	Insertion or replacement of spinal neurostimulator pulse generator or receiver, direct or inductive coupling	6.0	4.27	6.05	-29%	+0.8%

3. Why did CMS agree not to adopt its proposed recommendations?

Many physicians, specialty societies and Boston Scientific submitted comments to CMS objecting to this proposal due to flaws in the proposed CMS methodology and the potential negative impact on patient access to valuable treatments such as SCS. CMS ultimately decided not to adopt the proposed reductions on work RVUs affecting SCS and other interventional pain procedures. Rather, CMS maintained the AMA RUC's recommended work values for 2009 and requested that the AMA conduct further review to determine a more appropriate methodology for recognizing physician work for these services.

4. Did the AMA create new CPT procedure codes for 2010 specific to removal and revision/replacement of neurostimulator leads?

Yes, the AMA created four new CPT codes specific to removal and revision of both the percutaneous and laminectomy leads. The new 2010 CPT codes (63661-63664) are more specific and replace the existing general CPT code (63660) for revision or removal of a percutaneous or plate/paddle neurostimulator electrode array. Table 3 below reflects the new CPT descriptors and 2010 payment rates. According to the 2010 AMA CPT guidance, do not report 63661 or 63663 when removing or replacing a temporary percutaneously placed array for an external generator.

Table 3: 2010 CPT Codes Specific for Removal and Revision of Percutaneous or Paddle Lead

CPT Code	Descriptor	2009 Payment	2010 Facility setting (National Avg.)	2010 Non-Facility setting (National Avg.)
63660	Revision or removal of spinal neurostimulator electrode percutaneous array(s) or plate/paddle(s)	\$403		
63661	Removal of spinal neurostimulator electrode percutaneous array(s), including fluoroscopy, when performed		\$ 299	\$ 535
63662	Removal of spinal neurostimulator electrode plate/paddle(s) placed via laminotomy or laminectomy, including fluoroscopy, when performed		\$ 687	\$687
63663	Revision including replacement, when performed, of spinal neurostimulator electrode percutaneous array(s), including fluoroscopy, when performed		\$ 462	\$ 792
63664	Revision including replacement, when performed, of spinal neurostimulator electrode plate/paddle(s) placed via laminotomy or laminectomy, including fluoroscopy, when performed		\$ 715	\$715

5. What is the Medicare Sustainable Growth Rate (SGR)?

Medicare Sustainable Growth Rate is a legislatively mandated conversion factor used in annual calculations in the formula for physician payments. Federal law requires Medicare to adjust the physician fee schedule update to reflect the comparison of actual expenditures to target expenditures as a way to control Medicare utilization. Because of flaws in its methodology, the formula has mandated cuts almost every year for the past decade with Congress intervening in the short term to overrule and limit the mandated reductions.

6. What is the 2010 conversion factor in the physician formula for calculating Medicare physician payment rates?

Based on Congressional action, the temporary 2010 conversion factor of \$36.0846 for calculating the Medicare National Average physician payment rates is effective from January 1, 2010 through March 1, 2010. Conversion factor and payment rates are subject to change after March 1, 2010 and do not reflect the 21.2% Sustainable Growth Rate reduction published in the Medicare Final Rule for the 2010 Physician Fee Schedule. This 60-day grace period provides Congress with the opportunity to intervene as they have done in prior years to possibly prevent these reductions from taking place so that the conversion factor for these calculations will remain neutral or slightly positive for the remainder of 2010.

7. Are physician SCS office trial payments changing for 2010?

CMS updates payment rates for services paid under the DMEPOS (Durable Medical Equipment Prosthetic Orthotic Supplier) fee schedule -- such as neurostimulator electrodes (L8680) -- through quarterly updates that are separate from the Physician Fee Schedule final rule. First quarter updates for 2010 show that there are no payment changes for 2010 compared to 2009 in regards to the DMEPOS National Average payment for L8680.

For more information, please check the DMEPOS fee schedule on CMS' website at:
<http://www.cms.hhs.gov/DMEPOSFeeSched/LSDMEPOSFEE/list.asp#TopOfPage>

8. Were there any modifications to the HCPCS descriptor language for L8680?

Initially, when CMS released the 2010 Q1 DMEPOS fee schedule, they altered the HCPCS long descriptor language of L8680 from "implantable neurostimulator electrode, each" to "implantable neurostimulator electrode (with any number of contact points), each." The latter definition generated substantial confusion in the physician community over how many units of L8680 should be submitted for services performed on or after January 1, 2010 when neurostimulator leads are inserted in the physician office setting. The confusion related to whether CMS intended the use of the term "electrode" in the revised definition to refer to a single contact point or to refer to an entire lead. The latter interpretation would have changed the meaning of this code.

In response to a written request from a broad coalition of societies and manufacturers that CMS provide clarification on this change, CMS issued a correction to the HCPCS code set for L8680 that reverts to the definition reflected in the CY 2009 HCPCS code set. Effective January 2010, the new definition for L8680 is "implantable neurostimulator electrode, each." This change has been posted to the 2010 HCPCS Corrections document located on the HCPCS web page at www.cms.hhs.gov/HCPCSReleaseCodeSets/ANHPCPCS/list.asp. As a result of this CMS correction notice, it is clear that the L8680 code descriptor and meaning are unchanged from 2009.

9. If I have additional questions regarding Medicare changes in the 2010 PFS Final Rule, who should I contact?

Please feel free to contact your Boston Scientific Neuromodulation sales representative or the Pain Management Reimbursement Hotline if you have any additional questions and they will put you in touch with a Boston Scientific Neuromodulation Regional Reimbursement Manager. Additional details concerning the 2010 Medicare physician fee schedule final rule can also be found on the CMS website at:

<http://www.cms.hhs.gov/PhysicianFeeSched/PFSFRN/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=4&sortOrder=descending&itemID=CMS1230135&intNumPerPage=10>.

Pain Management Reimbursement Hotline

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