Reimbursement Variances: Outpatient Labs vs. Inpatient Labs

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Disclosures

Consultant:

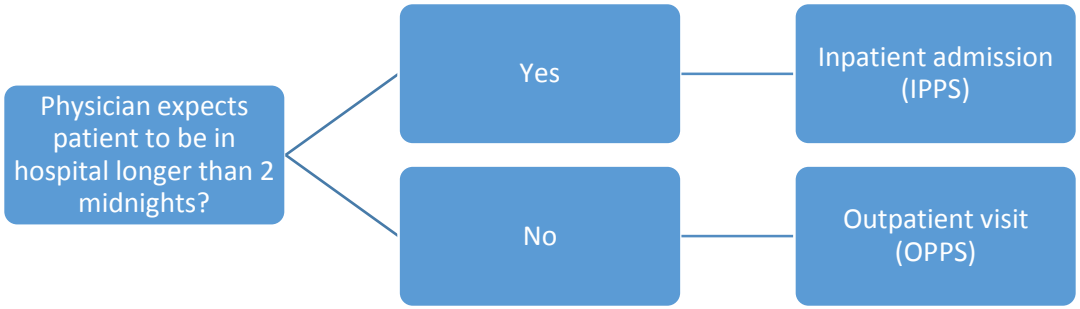
- Spectranetics
- Lifeline Vascular Access
- Fresenius

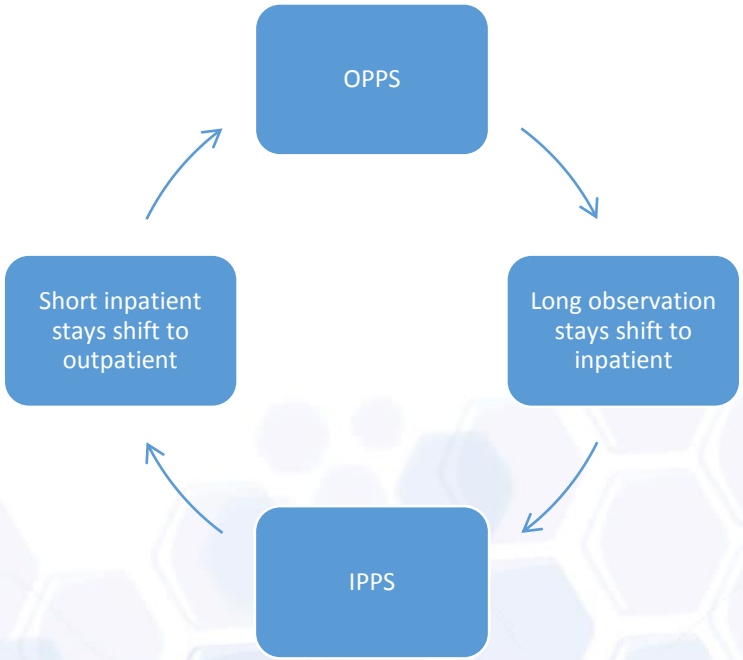
Medicare Inpatient Payment per Admission

		2014		2015		2016 (Proposed)	
MS-DRG	Title	Mean LOS	Rate	Mean LOS	Rate	Mean LOS	Rate
252	Other vascular procedures w MCCs	5.3	$18,255	5.4	$19,172	5.5	$19,506
253	Other vascular procedures w CCs	4.1	$14,599	4.0	$14,994	4.3	$15,503
254	Other vascular procedures w/o MCCs/CCs	2.2	$9,866	2.2	$10,162	2.4	$10,270

Source: 2014, and 2015 IPPS Final Rule and 2016 Proposed Rule Tables 1 and 5, http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/index.html.

“Two-Midnight Rule” Intended to Clarify When Patients Should be Admitted





Medicare Pays for Outpatient PAD Procedures Using CPT Codes

Code Recognized for Separate Payment?

CPT	Descriptor	OPD	ASC	Office
37220	Iliac revasc	Y	Y	Y
37221	Iliac revasc w/stent	Y	Y	Y
37222	Iliac revasc add-on	N	N	Y
37223	Iliac revasc w/stent add-on	N	N	Y
37224	Fem/popl revas w/tla	Y	Y	Y
37225	Fem/popl revas w/ather	Y	Y	Y
37226	Fem/popl revasc w/stent	Y	Y	Y
37227	Fem/popl revasc stnt & ather	Y	Y	Y

CPT	Descriptor	OPD	ASC	Office
37228	Tib/per revasc w/tla	Y	Y	Y
37229	Tib/per revasc w/ather	Y	Y	Y
37230	Tib/per revasc w/stent	Y	Y	Y
37231	Tib/per revasc stent & ather	Y	Y	Y
37232	Tib/per revasc add-on	N	N	Y
37233	Tibper revasc w/ather add-on	N	N	Y
37234	Revsc opn/prq tib/pero stent	N	N	Y
37235	Tib/per revasc stnt & ather	N	N	Y

- Add-on codes bundled with payment for base procedure in the OPD and ASC

Physician Payment Components under the MPFS

37226 Fem/popl revasc w/stent

Facility?	Work	Practice Expense	Malpractice	Total
Yes	$375.07	$109.77	$81.16	$566.00
No	$375.07	$8,770.63	$81.16	$9,226.86

37227 Fem/popl revasc w/stent & ather

Facility?	Work	Practice Expense	Malpractice	Total
Yes	$518.44	$151.24	$113.34	$783.02
No	$518.44	$14,519.63	$113.34	$15,151.41

Medicare Payment Comparisons

2014

		Office	OPD			ASC		
CPT	**Descriptor**	**MPFS Non-Facility**	**OPPS**	MPFS Facility	Total	**ASC Payment System**	MPFS Facility	Total
37226	Fem/popl revasc w/stent	$9,188	$9,120	$533	$9,653	$5,038	$533	$5,571
37227	Fem/popl revasc stnt & ather	$15,065	$15,510	$782	$16,292	$12,174	$782	$12,956

2015

		Office	OPD			ASC		
CPT	**Descriptor**	**MPFS Non-Facility**	**OPPS**	MPFS Facility	Total	**ASC Payment System**	MPFS Facility	Total
37226	Fem/popl revasc w/stent	$9,227	$9,628	$566	$10,194	$6,602	$566	$7,168
37227	Fem/popl revasc stnt & ather	$15,151	$14,846	$783	$15,629	$9,742	$783	$10,525

ASC rates are primarily derived from the OPPS rate for the service, but may be based on the MPFS rate if the procedure is considered “office-based”.

Controversial Proposal in 2014 Would Have Capped Office Rates at OPD/ASC Rates

- Proposal affected handful of services, of which more than half were surgical services capped at the ASC payment
- Rates for affected services, including arethectomy procedures, would have been significantly reduced

CPT	Descriptor	2013 Non-Facility PE RVUs	2014 Proposed PE Non-Facility Rate	% Change
37225	Fem/popl revasc w/ather	333.59	146.84	-56%
37227	Fem/popl revasc stnt & ather	452.78	345.86	-24%

Particular Concerns About 2014 Proposal

- ASC payment system is derivative and lacks refinements of OPPS and MPFS
  - Most ASC rates simple percentage of OPPS payment rates and bear no direct relationship to ASC costs
  - Many procedures not being performed in ASCs because rates are insufficient to cover costs
- Most reasons CMS gives for applying a cap based on OPPS rates do not apply to ASCs:

	HOPD	ASC
Capability to furnish services 24 hours/day, 7 days/wk	Yes	No
Furnish services to higher acuity patients	Yes	No
Additional legal obligations such as EMTALA	Yes	No
Requirement to meet Medicare conditions of participation / conditions of coverage	Yes	Yes
Auditable data on costs	Yes	No

New “Comprehensive APCs” Effective for 2015

- Single payment for the primary service and all adjunctive services and supplies on the hospital outpatient claim
- C-APCs include a family of vascular procedure APCs

APC	Title	2015 Rate	CPT Codes
083	Level I Endovascular Procedures	$4,539	35458, 35460, 35471, 35472, 35475, 35476, 36870, 37183, 37220, 37224, 92920, 92986
229	Level II Endovascular Procedures	$9,628	0234T, 0236T, 0237T, 37221, 37225, 37226, 37228, 37236, 37238, 37241, 37242, 37243, 37244, 61623, 61626, 92924, 92928, 92937, 92941, 92943, 92987, 92990, 92997, C9600, C9604
319	Level III Endovascular Procedures	$14,846	0238T, 0387T, 37227, 37229, 37230, 37231, 92933, 93580, 93581, C9602, C9606, C9607

Congress Gave CMS Broad Authority to Set Future Relative Values under MPFS

- The Protecting Access to Medicare Act (PAMA) of 2014 allows CMS to develop and use **alternatives** to the current approach of physician surveys to gather **information on the resources directly and indirectly related to furnishing services**
- CMS has not yet specified any alternative approaches it plans to use but requested comments in the 2015 proposed rule on how **hospital cost data** (not OPPS payment rates) could be used under this authority

Thank You

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