Current Medicare Reimbursement For Ch/EVAR And F/EVAR Is Inadequate: The Situation Is Untenable: How Did We Get There And Can The Problem Be Fixed

Clayton J. Brinster, M.D.
Associate Professor
Co-Director, Center for Aortic Diseases
University of Chicago Medicine

VEITH SYMPOSIUM
Connecting The Vascular Community

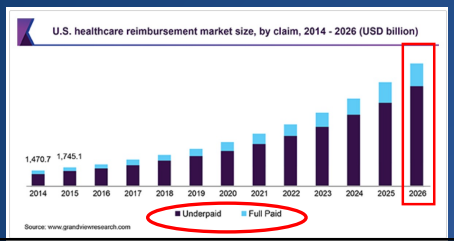
Disclosures

- none

Background

- Healthcare costs in the United States now total close to $4 trillion per year, nearly 20% of the gross domestic product in 2023.
- With burgeoning costs and consequent financial scrutiny, the focus on efficient healthcare delivery will intensify in coming years.

U.S. Trends/Predictions in Reimbursement 2014-2026:
Marked % INCREASE in Underpaid Claims
Marked % DECREASE in Full Paid Claims



Background

- Increasing use/availability of EVAR and complex EVAR present a particular challenge in this regard.
- Financial analyses in the past have repeatedly demonstrated a slim or negative net financial operating margin with EVAR.

Background

- Primary driver of the operating cost observed EVAR since its adaptation has been DEVICE COST.
  - EVAR, TEVAR, FEVAR
- In all previous studies: device costs represent ***over half the total procedure-related expenditure per case***.
- In some, total device cost >3x other procedure-related costs *combined*.

Hospital cost of endovascular versus open repair of abdominal aortic aneurysms: A multicenter study

W. Charles Sternbergh III, MD, and Samuel R. Money, MD, *New Orleans, La*

Background: Technology-driven innovation in medicine is frequently associated with

The financial implications of endovascular aneurysm repair in the cost containment era

David H. Stone, MD,[a] Alexander J. Horvath, BA,[a] Philip P. Goodney, MD,[a,b] Eva M. Rzucidlo, MD,[a] Brian W. Nolan, MD,[a,b] Daniel B. Walsh, MD,[a] Robert M. Zwolak, MD, PhD,[a] and Richard J. Powell, MD,[a] *Lebanon, NH*

Objective: Endovascular aneurysm repair (EVAR) is associated with significant direct device costs. Such costs place EVAR at odds with efforts to constrain healthcare expenditures. This study examines the procedure-associated costs and operating margins associated with EVAR at a tertiary care academic medical center.
Methods: All infrarenal EVARs performed from April 2011 to March 2012 were identified (n = 127). Among this cohort, 49 patients met standard commercial instruction for use guidelines, were treated using a single manufacturer device, and

From the Society for Clinical Vascular Surgery

Financial viability of endovascular aortic repair in the modern era

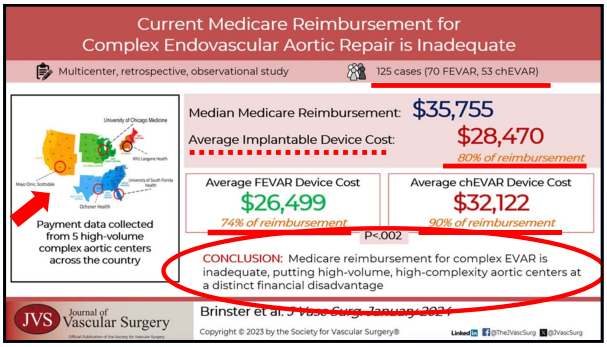
Clayton J. Brinster, MD, C. Thomas Escousse, MBA, Hernan A. Bazan, MD, Charles C. Leithead, MD, *and* W. Charles Sternbergh III, MD, *New Orleans, La*

ABSTRACT

Background: In the current era of cost containment, the financial impact of high-cost procedures such as endovascular aneurysm repair (EVAR) remains an area of intensive interest. Previous reports suggested slim to negative operating

Multi-Institutional, Multi-Regional Consortium

- Recently, a consortium established among a regionally diverse group of institutions with high-volume aortic referral centers.
- Purpose: provide real-world data to examine a variety of outcomes and current critical issues.
- First project: determine the Medicare reimbursement versus implantable device cost alone for chEVAR vs FEVAR.



Where do we go from here?

- Meaningful improvement in cost/reimbursement ratio will likely require:
- 1) Coordinated societal or multi- (high volume) institutional contract negotiation with device companies.
- 2) Lobbying CMS to create novel, accurate DRG codes or modifiers for increased reimbursement with complex EVAR.
- 3) Coordinated, larger SVS lobby to Congress.

Conclusions

- Results from a multi-institutional analysis show implantable device costs alone represent the majority of total Medicare reimbursement/case with complex EVAR.
- Inadequate reimbursement for these cases puts high-volume, high-complexity aortic centers at a distinct financial disadvantage.
  - Could jeopardize care for vulnerable patients, especially in remote areas

Conclusions

- Targeted cost reduction efforts could effectively reduce expenses without compromising quality or limiting patients' access.
- DRG modification and multi-institutional data-based price leveraging will be essential to sustain the financial viability of complex endovascular aortic care.