Reimbursement For Vascular Procedures Under CMS Is Deeply Flawed And Subject To The Bias Of Others: It Results In Unethical Compensatory Behavior: What Can Be Done About It

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Nothing to Disclose

Vascular Procedural Compensation

Based on the site of service

- Hospital outpatient ambulatory procedures
  - Physician bills CPT code → professional
  - Facility bills APC code → technical
- Office-based outpatient ambulatory procedures
  - Physician bills CPT code → professional + technical
- "global"

Vascular Procedural Compensation

- Payments are based on a hierarchy of CPT codes that describe specific interventions with more RVUs assigned for more work
- Unless a payor has a policy specifically defining requirements, the physician will be paid based on what he/she ultimately performs, not based on outcomes or appropriateness of indications

Hospital Outpatient Compensation

Background

- HOPPS groups similar procedures into APCs and bases payments on historic hospital costs to charge ratios
- Typically, several "levels" with a hierarchy of increasing resource utilization payments
- If the cost to perform a procedure changes over time, APC payment changes can take years to catch up

Hospital Outpatient Compensation

2025 HOPPS APC payments

APC	Designation	Rate
5191	*Level 1 endovascular*	$3,216.41
5192	*Level 2 endovascular*	$5,701.52
5193	*Level 3 endovascular*	$11,340.57
5194	*Level 4 endovascular*	$17,956.72

OBL Compensation
"Global Payment"

- OBL payments to the physician
  - If a procedure has been assigned compensation in a "physician office" site of service, the payment is based on the CPT procedure code
  - The technical fee or overhead in the OBL is reimbursed through additional Practice Expense RVUs to the code
  - Physician bills "global" similar to vascular lab testing

OBL Compensation
How Is the PE (Overhead) Determined?

- A "*typical description of procedure*" must be created by specialty societies based on what is usually required to complete that intervention
- A list is generated of every supply or implantable item necessary for the procedure
  - Requirement to be on the list: must be utilized in "more than 51%" of these procedures across all provider groups

OBL Compensation
How Is Overhead Determined?

- How long is the equipment being used
  - Differing equipment has its own payment rate
- What are the exact medical supplies required
  - All wires, catheters, stents, etc. - type and #
- Which staff are involved and for how long
  - RN, LPN, Angio tech, Rad Tech, etc.
  - Each has its own "payment rate per minute"

OBL Compensation
Supply Items

- All required items (e.g.):
  - Alcohol wipes
  - PTA balloon(s)
  - Covered stents
  - Embolic protection / re-entry
  - Closure devices
- Items are "valued" and those costs are embedded into the compensation (regardless of whether the items are used or not)

American Medical Association RUC Data for CPT Code: 37229

MEDICAL SUPPLY DIRECT INPUTS

Source	Supply Code	Description	Quantity In Office	Quantity Out Office	Cost In Office	Cost Out Office
Mod sed	SA048	pack, minimum multi-specialty visit	1	0	3.08	0.00
Mod sed	SA067	tray, shave prep	1	0	1.54	0.00
Mod sed	SA071	kit, AccuStick II Introducer System with RO Marker	1	0	82.56	0.00
Mod sed	SB001	cap, surgical	4	0	2.70	0.00
Mod sed	SB008	drape, sterile, c-arm, fluoro	1	0	4.94	0.00
Mod sed	SB009	drape, sterile, femoral	1	0	12.55	0.00
Mod sed	SB019	drape-towel, sterile 18in x 26in	4	0	1.50	0.00
Mod sed	SB024	gloves, sterile	2	0	1.75	0.00
Mod sed	SB028	gown, surgical, sterile	2	0	9.80	0.00
Mod sed	SB034	mask, surgical, with face shield	4	0	4.96	0.00
Mod sed	SB039	shoe covers, surgical	4	0	0.88	0.00
Mod sed	SB044	underpad 2ft x 3ft (Chux)	1	0	0.28	0.00
Mod sed	SC008	catheter, angiographic, pig-tail	1	0	15.24	0.00
Mod sed	SC010	closed flush system, angiography	1	0	92.37	0.00
Mod sed	SC051	syringe 10-12ml	4	0	0.79	0.00
Mod sed	SC053	syringe 20ml	4	0	2.78	0.00
Mod sed	SC096	Quick Cross Catheter (Sprectranetics, documentation available)	1	0	168.41	0.00
Mod sed	SD089	guidewire, hydrophilic	1	0	39.44	0.00
Mod sed	SD090	guidewire, STIFF	1	0	34.59	0.00
Mod sed	SD136	vascular sheath	1	0	36.65	0.00
Mod sed	SD147	catheter, (Glide)	1	0	55.48	0.00
Mod sed	SD148	catheter, (SIM2F1)	1	0	15.11	0.00
Mod sed	SD151	catheter, balloon, low profile PTA	2	0	763.61	0.00
Mod sed	SD154	catheter, microcatheter (selective 3rd order)	1	0	335.00	0.00
Mod sed	SD171	guidewire bowl w-lid, sterile	2	0	6.99	0.00
Mod sed	SD172	guidewire, cerebral (Bentson)	1	0	31.39	0.00
Mod sed	SD173	guidewire, low profile (SpartaCore)	3	0	264.38	0.00
Mod sed	SD207	suture device for vessel closure (Perclose A-T)	1	0	207.00	0.00
Mod sed	SD249	Sterile Radio-opaque ruler (le Maitre, documentation available)	1	0	109.81	0.00
Mod sed	SD250	introducer sheath, Ansel [45 cm 6 Fr Ansel]	1	0	81.32	0.00
Mod sed	SD251	Sheath Shuttle (Cook)	1	0	109.69	0.00
Mod sed	SD252	guidewire, Amplatz wire 260 cm	1	0	40.95	0.00
Mod sed	SD253	atherectomy device (Spectronetics laser or Fox Hollow)	1	0	4,014.00	0.00
Mod sed	SD255	Reentry device (Frontier, Outback, Pioneer)	1	0	2,343.12	0.00
Mod sed	SD256	Embolic Protection Device Spider FX (EV3, documentation available)	1	0	1,253.94	0.00
Mod sed	SF007	blade, surgical (Bard-Parker)	1	0	0.61	0.00
Mod sed	SG009	applicator, sponge-tipped	4	0	0.58	0.00
Mod sed	SG035	dressing, 3in x 4in (Telfa, Release)	2	0	0.19	0.00
Mod sed	SG055	gauze, sterile 4in x 4in	2	0	0.35	0.00
Mod sed	SG074	steri-strip (6 strip uou)	1	0	1.33	0.00
Mod sed	SH039	heparin 1,000 units-ml inj	10	0	3.31	0.00
Mod sed	SH047	lidocaine 1%-2% inj (Xylocaine)	10	0	0.47	0.00
Mod sed	SH065	sodium chloride 0.9% flush syringe	2	0	1.49	0.00
Mod sed	SH095	protamine sulfate 10 mg/ml (5ml uou vial)	1	0	243.47	0.00
Mod sed	SH096	nitroglycerin injection USP 5 mg/mL (10ml uou vial)	1	0	178.57	0.00
Mod sed	SJ041	povidone soln (Betadine)	70	0	9.59	0.00
Mod sed	SM013	disinfectant, surface (Envirocide, Sanizide)	1	0	0.17	0.00

OBL Compensation
Practice Expense Values

- When overhead is valued, it is priced based on typical cost in PE RVUs in that year and remains at that PE RVU value in the fee schedule for subsequent years
- Inflation and the annual CF will alter the overhead:
  - If the Medicare CF drops or does not receive an inflationary update, there is no methodology to pay the "actual price" – the MD may have to absorb a lower cost
  - If the price of an overhead item decreases over time or the MD buys in bulk to get better pricing, CMS does not alter the payment

OBL Compensation
Background

- OBL overhead payments come from the part B Medicare annual pool of funds
- This is subject to Budget Neutrality calculations:
  - E/M code changes came with increased RVUs – to pay for this with out additional funding, CF lowered
  - G-code add-on created by CMS recently was similar
  - Clinical labor rate changes resulted in high cost OBL overhead being cut as a "pay for"

RUC Stance of OBL High Cost Overhead

- The American Medical Association and Specialty Society Relative Value Scale Update Committee (RUC) has been concerned for years about the OBL payment method
- Proposed all high-cost disposables over $500 should be reimbursed directly from CMS by receipts from vendor
  - Remove any perverse incentive since there would no significant profit on these items
  - Removes these items from the ever-changing "budget neutrality discussions" of the CF

AMA letter to CMS on the MPFS

High-Cost Disposable Supplies
The RUC has long recommended that CMS separately identify and pay for high-cost disposable supplies. The RUC makes this recommendation to address the outsized impact that high-cost disposable supplies have within the current practice expense RVU methodology. The current system not only accounts for a large amount of direct practice expense for these supplies but also allocates a large amount of indirect practice expense into the PE RVU for the procedure codes that include these supplies. Because of specialty pools and how the PE formula derives the code-level indirect practice expense in part as a multiple of the code-level direct practice expense inputs, when CPT codes include a high-cost disposable supply, a larger portion of indirect practice expense is allocated to the subset of practices performing the service which is subsidized by the broader specialty and all other Medicare providers. If high costs supplies were paid separately with appropriate HCPCS codes, the indirect expense would no longer be associated with that service. The result would be that indirect PE RVUs would be redistributed throughout the specialty practice expense pool and the practice expense for all other services. **The RUC recommends that CMS separately identify and pay for high-cost disposable supplies priced more than $500 using appropriate HCPCS codes. The pricing of these supplies should be based on a transparent process, where items are annually reviewed and updated.**

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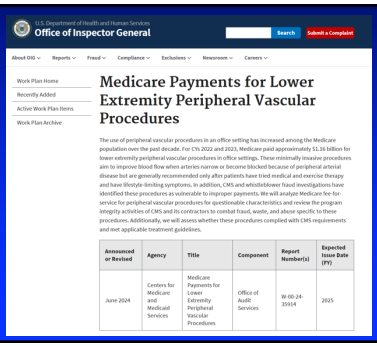
CMS has refused this request

OEIS Proposal

- The society proposes to create a new site of service
  - Called "OBL" similar to the current "hospital outpatient"
- Pull the overhead for OBL work out of the funds for physician reimbursement
- Currently under discussion with the agency



Summary

- Vascular procedural compensation is based on what was performed with no regard for outcomes or appropriateness
  - Policing bad behavior by physicians is not an easy fix
- The CMS methodology for OBL compensation is flawed due to annual budget neutrality / legislative changes to the conversion factor as well as a lack of review to ensure proper overhead reimbursement