

REIMBURSEMENT BULLETIN



Summary of 2015 Proposed Rules

For the Hospital Outpatient Prospective Payment System & Medicare Physician Fee Schedule

On July 3, 2014, the Centers for Medicare and Medicaid Services (CMS) issued the proposed payment rules for both the Hospital Outpatient Prospective System (HOPPS) and the Medicare Physician Fee Schedule (MPFS). Below is a preliminary analysis of the key provisions of the proposed rules and estimated payment changes for specific radiation therapy codes and typical courses of treatments.

2015 MEDICARE HOSPITAL OUTPATIENT PAYMENT SYSTEM PROPOSED RULE

CMS is proposing an overall increase of 2.2% to Medicare reimbursement in the hospital outpatient setting including the majority of codes billed for radiation therapy services. This is consistent with reimbursement trends over the past several years. CMS did propose some packaging of codes as they did last year, however, radiotherapy codes do not appear to be affected in this year's packaging proposal.

Single Session Cranial SRS Comprehensive APC

CMS is proposing the creation of comprehensive APC 0067 -- Single Session Cranial Stereotactic Radiosurgery (SRS) with a proposed payment rate of \$9,768. CMS defines the comprehensive APC payment packaging policy as including all covered services on a hospital claim reported with the primary service, in this case cranial SRS treatment delivery. Under this policy, the APC payment should include all services done in conjunction with the treatment delivery, including diagnostic and any other ancillary services. This proposal does not impact the legislation that equalized cobalt and linac based SRS. Both procedures would be paid \$9,768.

Proton Therapy

CMS is proposing to reconfigure the four proton treatment delivery codes in an effort to correct a "two times rule" violation. CMS is proposing to reassign CPT code 77520, simple proton delivery w/o compensators from APC 0664 to APC 0412 (Level III Radiation Therapy) where the IMRT delivery code currently resides. CMS is also proposing to reassign CPT code 77522 from APC 0664 to the newly renamed APC 0667 (Level IV Radiation Therapy) with the other two proton treatment delivery codes: intermediate (77523) and complex (77525). As a result, the remaining three proton treatment delivery codes will all be paid the same proposed rate of \$1,056.25, which is a reduction for the intermediate and complex treatment codes from last year's APC rate of \$1,205.27.

CPT®	Descriptor	2014 Final Rule HOPPS Per Unit Medicare Rate	2015 Proposed Rule HOPPS Per Unit Medicare Rate	% Change 2014 Final to 2015 Proposed Medicare Rates
77520	Proton tx simple w/o comp	\$872.37	\$515.06	-41%
77522	Proton tx simple w/comp	\$872.37	\$1,056.25	21%
77523	Proton tx intermediate	\$1,205.27	\$1,056.25	-12%
77525	Proton tx complex	\$1,205.27	\$1,056.25	-12%

High Dose Rate (HDR) Brachytherapy

CMS is proposing a slight reduction for HDR brachytherapy treatment delivery codes. However, they are proposing significant cuts to codes utilized to report the insertion of needles for prostate HDR and tandem & ovoids for GYN HDR. Proposed increases to reimbursement for other codes utilized during HDR treatment courses for prostate and tandem & ovoid GYN patients negate some but not all of the proposed reductions. Proposed decreases to HDR courses are approximately 7.7% for prostate patients and 23.4% for tandem & ovoid GYN patients.

2015 MEDICARE PHYSICIAN FEE SCHEDULE (PHYSICIANS AND FREESTANDING CENTERS) PROPOSED RULE

In the Medicare Physician Fee Schedule proposed rule, CMS is proposing to reduce payments overall to radiation oncologists by 4% and the total reduction to radiation therapy centers by 8%. The primary reason for these reductions is CMS's proposal to treat radiation treatment vaults as an indirect practice expense rather than a direct practice expense. This will cause a significant reduction for those treatment delivery codes that include the vault in their rate formula.

Codes Affected by Proposed Removal of Radiation Treatment Vault

77373	SBRT delivery
77402	Radiation treatment delivery
77403	Radiation treatment delivery
77404	Radiation treatment delivery
77406	Radiation treatment delivery
77407	Radiation treatment delivery
77408	Radiation treatment delivery
77409	Radiation treatment delivery
77411	Radiation treatment delivery
77412	Radiation treatment delivery
77413	Radiation treatment delivery
77414	Radiation treatment delivery
77416	Radiation treatment delivery
77418	Radiation tx delivery IMRT

SRS/SBRT

CMS moved forward with a proposed policy to eliminate the robotic radiosurgery G codes (G0339 and G0340) in the Medicare Physician Fee Schedule as they did in the Hospital Outpatient setting last year. CMS is proposing that only linac-based radiosurgery codes remain on the Medicare Physician Fee Schedule for 2015:

- 77372- Radiation treatment delivery, stereotactic radiosurgery (SRS), complete course of treatment of cranial lesion(s) consisting of 1 session; linear accelerator based
- 77373- Stereotactic body radiation therapy (SBRT), treatment delivery, per fraction to 1 or more lesions, including image guidance, entire course not to exceed 5 fractions

For CY 2014 the robotic G codes are carrier priced in the freestanding setting, and, therefore, some regional Medicare Administrative Contractors (MACs) have established different payment rates. How this proposed policy will affect reimbursement for providers will vary depending on the existing rate set by their MAC.

Preliminary Estimates of Typical Courses of Treatments Under the Proposed Rule

HOPPS Per Course Medicare Reimbursement			
Modality	2014 Final Medicare National Average Reimbursement	2015 Proposed Rule Medicare National Average Rate	% Change 2014 Final - 2015 Proposed
2D (10 Fractions)	\$3,852	\$3,917	1.7%
3D (35 Fractions)	\$11,039	\$11,216	1.6%
IMRT (35 Fractions)	\$20,748	\$20,934	0.9%
SRS (linac-based)	\$6,888	\$9,768	41.8%
SBRT (3 Fractions)	\$9,060	\$9,102	0.5%
SBRT (5 Fractions)	\$12,903	\$12,888	-0.1%
Proton (25 Fractions)	\$32,802	\$29,098	-11.3%
APBI HDR (10 Fractions)	\$11,828	\$11,868	0.3%
Prostate HDR (3 Fractions)	\$9,204	\$8,496	-7.7%
GYN Tandem & Ovoid HDR (3 Fractions)	\$10,736	\$8,225	-23.4%

MPFS Per Course National Average Medicare Reimbursement									
Modality	2014 Final Professional	2014 Final Technical	2014 Final Global	2015 Proposed Professional	2015 Proposed Technical	2015 Proposed Global	Professional % Change 2014 Final - 2015 Proposed	Technical % Change 2014 Final - 2015 Proposed	Global % Change 2014 Final - 2015 Proposed
2D (10 Fractions)	\$1,069	\$3,452	\$4,521	\$1,083	\$3,214	\$4,297	1.4%	-6.9%	-5.0%
3D (35 Fractions)	\$2,543	\$10,229	\$12,773	\$2,577	\$9,336	\$11,914	1.3%	-8.7%	-6.7%
IMRT (35 Fractions)	\$3,322	\$18,799	\$22,121	\$3,378	\$17,402	\$20,779	1.7%	-7.4%	-6.1%
SRS	\$1,518	\$2,404	\$3,923	\$1,535	\$2,528	\$4,063	1.1%	5.1%	3.6%
SBRT (3 Fractions)	\$1,732	\$5,114	\$6,846	\$1,752	\$4,948	\$6,700	1.1%	-3.2%	-2.1%
SBRT (5 Fractions)	\$1,732	\$7,617	\$9,350	\$1,752	\$7,307	\$9,059	1.1%	-4.1%	-3.1%
APBI HDR (10 Fractions)	\$3,117	\$6,864	\$9,980	\$3,154	\$7,083	\$10,238	1.2%	3.2%	2.6%
Prostate HDR (3 Fractions)	\$1,991	\$3,532	\$5,524	\$2,013	\$3,668	\$5,680	1.1%	3.8%	2.8%
GYN Tandem & Ovoid HDR (3 Fractions)	\$2,281	\$3,038	\$5,319	\$2,309	\$3,165	\$5,474	1.2%	4.2%	2.9%

Conversion Factor(CF) of \$35.8228 utilized for CY 2014 rates and CF of \$35.7977 for CY 2015 proposed rates due to budget neutrality update

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