'Modest' Boost Given to Neurologic Device Pay

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The Centers for Medicare and Medicaid Services will increase payments for outpatient services by an average of 3.8% in 2008, with most of the neurologic, cardiac, and gynecologic procedures covered under the payment system being slated for small to moderate increases.

Overall, hospitals will be paid about $36 billion in 2008, a 10% increase from 2007, and $1 billion more than was estimated in the proposed outpatient rule, according to CMS.

Some neurologic device implant procedures will see a reimbursement increase. Neurostimulators, used primarily for lessening of symptoms of movement disorders such as Parkinson's disease and essential tremor, as well as control of epilepsy and pain, are slated for a 3.1% increase. The electrodes required with the devices will see a 3.4% rise in payment.

The changes aren't substantial enough to have any impact on the numbers of these procedures being done, said Dr. Rajesh Pahwa, director of the Parkinson's Disease and Movement Disorder Center at the University of Kansas, Kansas City, who called the increases "modest." "My guess would be less than 5% of the patients with those conditions undergo stimulator implants," he said.

Other neurological devices, which Dr. Pahwa said "might include shunts for hydrocephalus," for example, will get a 37.4% rate increase, according to the document.

The 2008 Hospital Outpatient Prospective Payment System final rule also includes a revised method of paying for services in ambulatory surgical centers (ASCs). Starting in 2008, services performed in ASCs will be reimbursed at 65% of the rate paid for the same service in an outpatient hospital department. This rate is unchanged from the proposed rule.

"The revised system takes a major step toward eliminating financial incentives for choosing one care setting over another, thereby placing patients' needs first, increasing efficiencies, and leading to savings for both beneficiaries and the Medicare program," said CMS Acting Administrator Kerry Weems.

Hospitals will be required to report on seven quality measures, including five emergency department measures pertaining to transfer of acute myocardial infarction patients, and two surgical care improvement measures. Under the proposed rule, hospitals were going to be required to report on 10 measures. Three were dropped in the final rule: administration of an ACE inhibitor to heart failure patients, empiric antibiotics for community-acquired pneumonia, and hemoglobin A_{1c} control. Now, if hospitals do not report on the seven measures, they will get an automatic 2% reduction in inpatient pay in 2009, according to CMS.

CMS also said it was issuing three new composite ambulatory payment classification (APC) groups. The APC bundles frequently performed procedures together into a single payment, thus creating an episode-of-care-based payment. The new APCs in the final rule are for extended outpatient visits with observation, low dose–rate prostate brachytherapy, and cardiac electrophysiologic evaluation and ablation.

The agency is continuing its policy of bundling payments for certain ancillary services, to create efficiencies and to give hospitals more flexibility to manage costs. Among the services that will now be covered by a bundled payment: image processing services, intraoperative services, imaging supervision and interpretation services, diagnostic radiopharmaceuticals, contrast agents, and observation services.

Dr. Kim Allan Williams, nuclear cardiology director at the University of Chicago, said that bundled payments can often mean that a service is not properly reimbursed. But under the outpatient payment system, CMS has found a way to make sure that every service is appropriately covered, said Dr. Williams in an interview.

Most cardiac procedures are slated for an increase—from a modest 1.9% for pacemaker insertion or replacement, to 5.2% for bare metal stents, to 13.3% for drug-eluting stents. Implantation of left ventricular pacing leads (add-on) will be cut by 12.4%, but that comes on the heels of 3 years of 80%-180% increases.

And for gynecologic procedures, endometrial ablation will get a 17.9% increase in pay, and surgical hysteroscopy a 4.2% increase. ■