

Timing is Everything: Best Practices in Timing Coverage, Coding & Payment

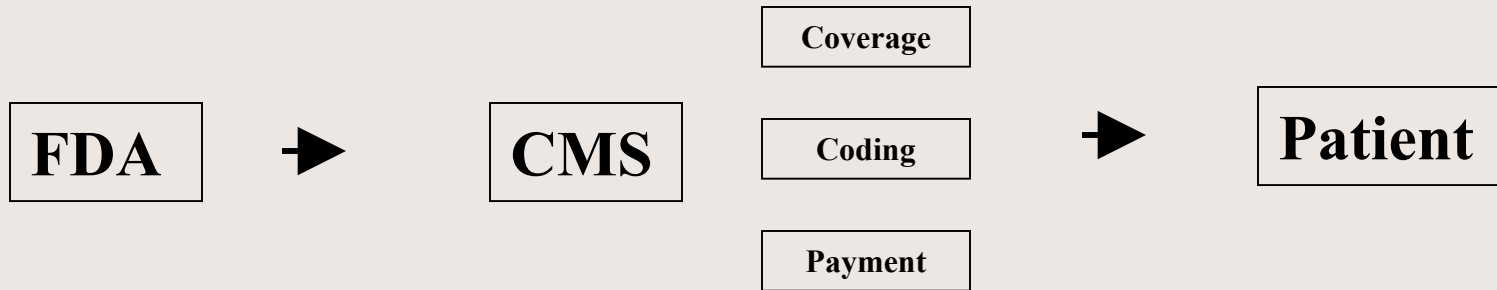
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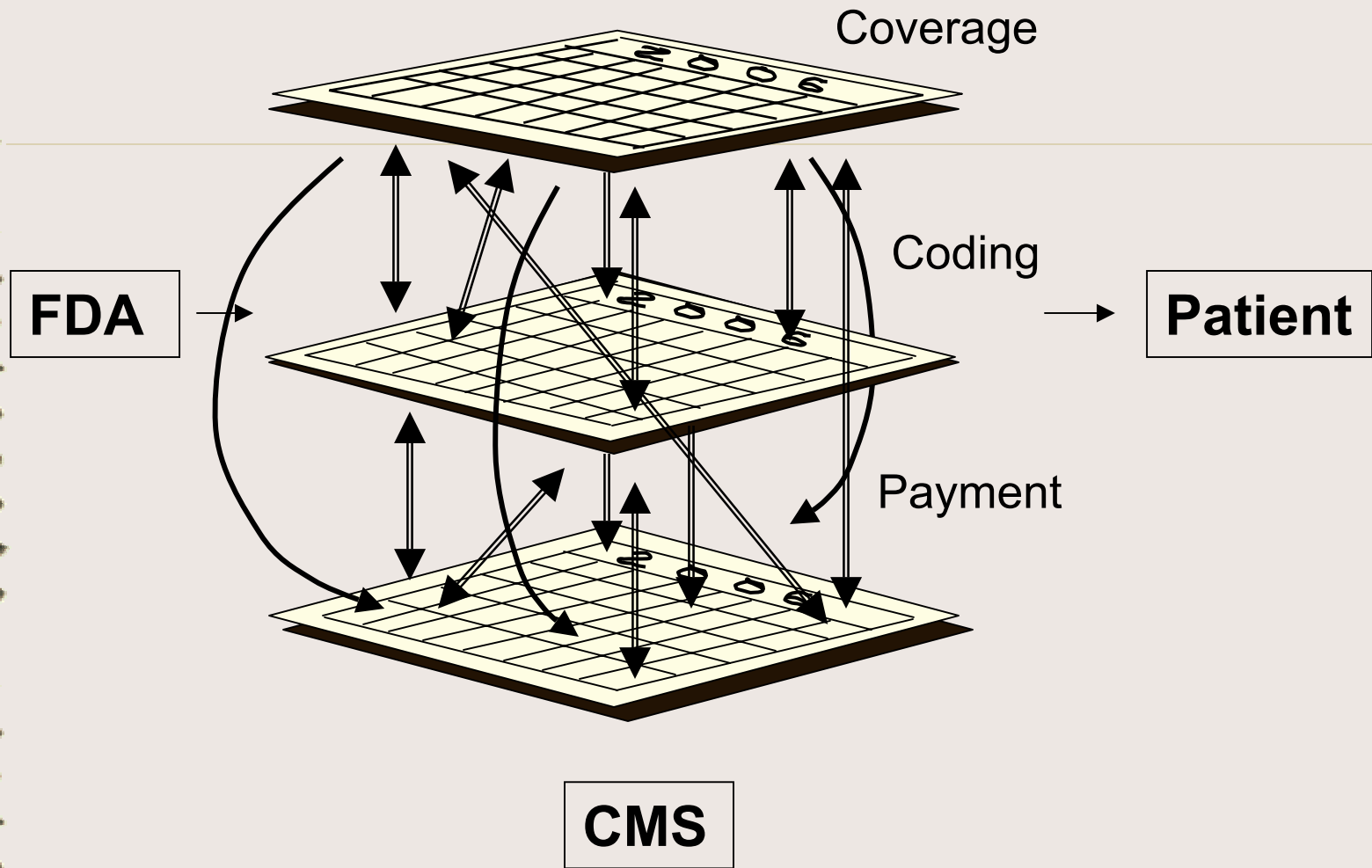
**The Medical Device Regulatory and
Compliance Congress
Harvard University
March 30, 2006**

Calendars count in Medicare

- Medicare reimbursement is complex ...with parallel, overlapping and multiple program deadlines.
- Coverage, coding, and payment systems have individual and interdependent schedules.
- Reimbursement planning covers 12–18 months or more.

Looks innocent, doesn't it?





	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
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RVS

<u>Jan</u> : New annual rates go into effect	<u>Feb</u> : Practicing Physician Adv Council (PPAC) meets quarterly		<u>May</u> : Practicing Physician Adv Council meets quarterly	<u>Jul</u> : Notice on proposed new rates; 60-day comment period	<u>Aug</u> : Practicing Physician Adv Council meets quarterly	<u>Nov</u> : Final rule on new rates <u>Nov</u> : Practicing Physician Adv Council meets quarterly
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HIP

<u>Jan</u> : ICD-9 applic. due 2 mos. before March mtg	<u>Feb</u> : Public mtg on new tech add-on applications from previous year	<u>March</u> : ICD-9 cmte meets	<u>Apr</u> : New ICD- 9 codes implemented from previous year's Oct applications for certain new technologies	<u>May</u> : notice on proposed new rates	<u>Jul</u> : ICD-9 applic. due 2 mos. before Sept mtg	<u>Aug</u> : final rule for new rates effective in Oct	<u>Sept</u> : ICD-9 cmte. meets	<u>Oct</u> : new rates go into effect for next FY <u>Oct</u> : new ICD9 codes implemented from March mtg of same year and from Sept mtg of previous year <u>Oct</u> : new tech add-on apps due, for FY '07	<u>Dec</u> : data bases for new tech add-on apps due 12/31 Dec: meet with CMS or provide data for changes for Oct of next year
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HOP

<u>Jan</u> : new annual rates go into effect <u>Jan</u> : C+G HCPCS II temp codes issued each quarter	<u>Feb</u> : APC advisory panel public mtg	<u>Mar</u> : apps for new-tech APCs or pass-thrus due; earliest approval = 7/1	<u>Apr</u> : transitional implementation of new coding edits for some devices <u>Apr</u> : C+G HCPCS II temp codes issued each quarter	<u>Jun</u> : apps for new-tech APCs or pass-thrus due; earliest approval = 10/1	<u>Jul-Aug</u> : notice on new rates; 60 day comment <u>Jul</u> : transitional implementation of new coding edits <u>Jul</u> : C+G HCPCS II temp codes issued each quarter	<u>Aug/Sept</u> : APC advisory panel public mtg <u>Sept</u> : applications for new-tech APCs or pass-throughs due; earliest approval = 1/1	<u>Oct</u> : transitional implement. of new coding edits for some devices <u>Oct</u> : C+G HCPCS II temporary codes issued each quarter	<u>Nov</u> : Final rule on new rates <u>Dec</u> : apps for new-tech APCs or pass-thru's due; earliest approval = 4/1
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ASC

<u>Jan</u> : CMS must have new ASC payment system working by Jan '08	<u>Feb</u> : RUC mtg to assign work values to new CPTs (ok'd in previous Oct <u>Feb</u> : CPT editorial panel meets to edit codes for '07	<u>Mar</u> : CPT apps due for Jun meeting of editorial panel	<u>Apr</u> : RUC mtg to assign workvalues to new CPTs (ok'd in previous Feb mtg)	<u>May</u> : Interim final list of procedures covered in ASCs published	<u>Jun</u> : CPT editorial panel meets to edit codes for '08	<u>July</u> : Final list of covered procedures in ASC implemented <u>July</u> : CPT apps due for upcoming Oct mtg of editorial panel	<u>Oct</u> : RUC mtg to assign work values to new CPTs (ok'd in previous Jun) <u>Oct</u> : CPT editorial panel meets to edit codes for '08	<u>Nov</u> : CPT applications due for upcoming Feb mtg of editorial panel <u>Nov</u> : Prop. list of covered procedures in ASCs for next year; comments due in 60 days
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Labs

<u>Jan</u> : New rates effective Jan 1; CMS sends rates for new codes to contract'rs	<u>July</u> : Public mtg on crosswalk vs gapfill	<u>Sept</u> : CMS posts new code cross-walk or gap-fill	<u>Nov</u> : CMS makes proposed new rates for codes for next year available in Nov
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DME

<u>Jan</u> : DME products assigned to codes; certain codes updated quarterly; some annually	<u>Apr</u> : DME products assigned to codes; certain codes updated quarterly; some annually	<u>Jul</u> : DME products assigned to codes; certain codes updated quarterly; some annually	<u>Oct</u> : DME products assigned to codes; certain codes updated quarterly; some annually	
<u>Jan</u> : Publication of new HCPCS II codes; need 3 mos. market data; applications for changes in following year's codes due before 1/3		<u>June</u> : Public mtg to review coding applications and accept public comment		<u>Nov</u> : Publication of new HCPC II codes, to be effective Jan next year

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Payment

<p><u>Jan:</u> New HOP and RVS rates go into effect for year <u>Jan:</u> Lab New rates go into effect; CMS sends rates for new lab codes to contractors</p>	<p><u>Feb:</u> HIP Public mtg on new tech add-on applications from previous year <u>Feb:</u> APC advisory panel public mtg <u>Feb:</u> RVS Practicing Physician Adv Council meets quarterly</p>	<p><u>Mar:</u> HOP apps for new-tech APCs or pass-thru due; earliest approval = 7/1</p>	<p><u>May:</u> HIP notice on proposed new rates <u>May:</u> ASC Interim final list of covered procedures published <u>May:</u> RVS Practicing Phys. Adv. Council quarterly mtg</p>	<p><u>Jun:</u> HOP apps for new-tech APCs or pass-thrus due; earliest approval = 10/1</p>	<p><u>Jul:</u> Labs public mtg on cross walk vs gapfill <u>Jul:</u> RVS, HOP notices on proposed new rates; 60day comment <u>Jul:</u> ASC final list of covered procedures implemented</p>	<p><u>Aug:</u> HIP final rule on new rates effective Oct <u>Aug:</u> RVS Practicing Physician Adv Council quart. mtg <u>Aug/Sept:</u> APC advis panel public mtg</p>	<p><u>Sep:</u> Labs: CMS posts new code cross walk or gapfill for labs <u>Sep:</u> HOP applications for new-tech APCs or pass-thrus due; earliest approval = 1/1</p>	<p><u>Oct:</u> HIP new rates go into effect for next fiscal year <u>Oct:</u> HIP new tech add-on apps due, for FY '07</p>	<p><u>Nov:</u> RVS, HOP final rules on new rates <u>Nov:</u> RVS Practicing Physician Adv coun. quart. mtg <u>Nov:</u> ASC Proposed list of covered proc. for next year; comment due in 60 days</p>	<p><u>Dec:</u> HIP Databases for new tech add-on apps due; meet w/ CMS to make recom on new year rates, changes <u>Dec:</u> RVS Practicing Physician Adv Council quart. meeting <u>Dec:</u> HOP apps for new-tech APCs or pass-thru's due; earliest ok = 4/1</p>
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Coding


<p><u>Jan:</u> C+G HCPCS II temp codes issued quarterly <u>Jan:</u> DME products assigned codes; certain codes updated quarterly; some annually</p>	<p><u>Feb:</u> RUC mtg to assign work values to new CPTs(ok'd in previous Oct) <u>Feb:</u> CPT editorial panel meets to edit codes for '07</p>	<p><u>Mar:</u> CPT apps due for Jun meeting of editorial panel <u>Mar:</u> ICD-9 cmte meets</p>	<p><u>Apr:</u> New ICD-9 codes implemented from previous year's Oct applications for certain new technologies <u>Apr:</u> C+G HCPCS II temp codes issued <u>Apr:</u> DME products assigned to codes</p>	<p><u>Jun:</u> CPT editorial panel meets to edit codes for '08 <u>Jun:</u> public mtg to review coding apps for DME and hear public comment</p>	<p><u>Jul:</u> C+G HCPCS II temp codes issued <u>Jul:</u> ICD-9 applic. due 2 mos. before Sept. mtg <u>Jul:</u> CPT apps due for Oct mtg of editorial panel <u>Jul:</u> DME products assigned to codes <u>Jul:</u> HOP Transitional implementation of new coding edits for some devices</p>	<p><u>Sep:</u> ICD-9 Cmte. meets</p>	<p><u>Oct:</u> New ICD-9 codes implemented from this year's Mar ICD9 mtg and last's year's Sept mtg</p>	<p><u>Nov:</u> CPT applications due for upcoming Feb mtg of editorial panel <u>Nov:</u> CMS makes proposed new rates for codes for lab tests available in Nov; to be effective Jan of next year</p>
<p><u>Jan:</u> Publication of new HCPCSII codes; applications for following year's due before 1/3 <u>Jan:</u> ICD-9 applic.due 2 mos. before March mtg</p>	<p><u>Apr:</u> RUC mtg to assign workvalues to new CPTs (ok'd in previous Feb mtg) <u>Apr:</u> HOP Transitional implementation of new coding edits for some devices</p>	<p><u>Oct:</u> C+G HCPCS II temp codes issued <u>Oct:</u> RUC mtg to assign work values to new CPTs (ok'd in previous Jun) <u>Oct:</u> HOP Transitional implementation of new coding edits for some devices <u>Oct:</u> CPT editorial panel meets to edit codes for '08 <u>Oct:</u> DME products assigned to codes; certain codes updated quarterly; some annually</p>						

Coverage

National or Local? → If national... → If local... →

- Informal?
- Formal LMRP?

- CMS must issue a decision memorandum in national coverage decisions within 6 months, if it seeks no external review
- CMS must issue a decision memorandum in national coverage decisions within 9 months, if CMS seeks external reviews
- In both cases, CMS must allow 30 days comment on the draft decision memo; then complete the final within 60 days



We will discuss strategy for coverage, coding, and payment, keeping the calendar in mind...

Developing a coverage strategy

- Determine benefit category
- Indicated for Medicare population
- Utilization & budget implications
- Timeline issues:
 - Does the product need a coverage decision?
 - Are there related LCDs or NCDs?

Developing a coding strategy

- Determine current coding & timetable
 - Indications = diagnosis code = ICD-9 (Vol I-II)
 - Physician & facilities must use a diagnostic code
 - Physician = surgeon's time = CPT-4
 - CPT maintained by AMA
 - Category 1: Physician services
 - Category 3: New medical devices, temporary
 - Inpatient hospital = ICD-9 (Vol. III)
 - Track to DRGs
 - Outpatient hospital = HCPCS (Levels 1-2)
 - Level 1 = CPT
 - Level 2 = Codes developed by CMS
 - C-codes: Outpatient new device categories, temporary
 - G-codes: Coverage/utilization, temporary

Developing a payment strategy

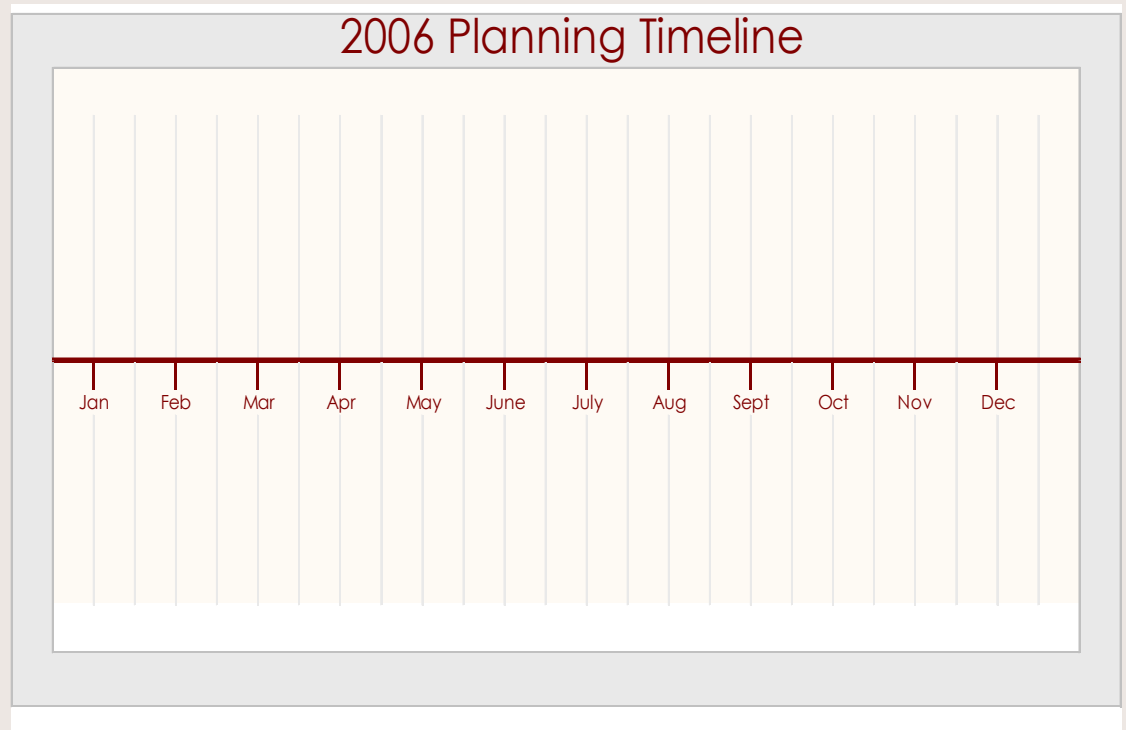
- Medicare payment systems updated annually:
 - **Hospital Inpatient:**
 - Proposed in May; Final in August; Effective October 1
 - **Hospital Outpatient:**
 - Proposed in July; Final in November; Effective January 1
 - **Physician Fee Schedule:**
 - Proposed in July; Final in November; Effective January 1

Important facts on payment....

- **Provisions for devices**
 - Hospital inpatient
 - Special DRG assignment/special payment
 - Hospital outpatient
 - Device category code/new tech APC/APC assignment
 - Physician fee schedule
 - Practice expense component

Pulling it all together...

- Looking at the year ahead
 - First quarter
 - Second quarter
 - Third quarter
 - Fourth quarter
 - Following year



For more information...

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