

Reimbursement in Question

- Q. What does the future hold for Interventional Pain Management procedure reimbursements?
- A. One has to understand the payment system that applies to different venues and how they are calculated.

A Look Back

- Medicare Site of Service Differential in CY 2000 seemed to encourage performing procedures in an office suite.
- Average differential on Medicare procedures was approximately \$125 or 48% higher in an office
- Global on Fluoro was paid in addition to the procedure prior to CY 2013. Medicare paid approximately \$75.00

Reimbursement				
СРТ	2000-2005 Non-Facility	2006-2011 Non-Facility	2012-Present Revised to include Image Guidance (Fluoro or CT)	
27096 SI Joint Injection	Approximately \$480.00	Approximately \$200.00	Approximately \$170.00	

Needle Localization Trends Ultrasound use rather then C-arm Not paid for spinal injection procedures Enormous increase in use with "other", i.e. joint injections Average Medicare reimbursement in office (Global) \$74.00 – non Medicare \$220.00

Medicare Physician Payment Schedule Work RVU x Work (GPCI) RVUs -Physician work Practice Expense (PE) RVU relative value units PE x PE GPCI Practice expense Malpractice (PLI) RVU x PLI GPCI PLI - Professional liability = Total RVU insurance CY Conversion Factor = Medicare Payment GPCI -geographic practice cost index

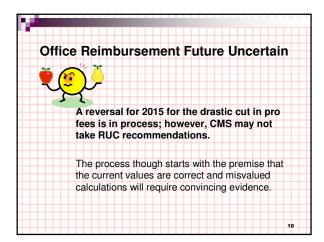
2014 IPM Professional Fee Cuts All pain physicians are affected Office based practices have the most severe impact How and why did this happen?

Use and Cost/Payment Review Vast increase in IPM procedures (epidurals, facet joint injections, SI joint injections) plus what is considered to be potentially misvalued codes. ■ Entire VALUE was called into question from IPM Societies + Physician work

+ TIME and intensity - not just time

+ Practice expense

RUC Survey/CMS Actions CMS arrived at lower work RVUs (\$42 per procedure) for all codes using time as the sole reason for the reduction CMS also reduced practice expense value

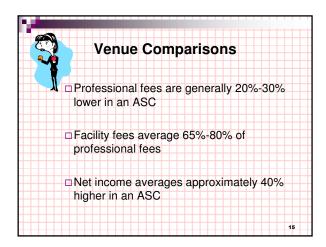


Direct Co	st Reality
Item Description	Cost/Case
Epidural Tray	\$8 - \$15
Contrast Dye	\$15 - \$25
Equipment	\$60 - \$100
Staffing	\$30 - \$50
TOTAL	\$113 - \$190

Service Office (Epidurals)				
СРТ	PT 2013 2014 Non- Non- Facility Facility		Percent Change from 2013 Non- Facility	
62310 Cervical	\$251.77	\$110.69	-56%	
62311 Lumbar	\$211.96	\$108.90	-48.6%	
62318 CT Continuous	\$240.20	\$111.41	-53.6%	
62319 LS Continuous	\$173.52	\$114.99	-33.7%	

	ofessional rvice Facili		
СРТ	2013 Pro Fee- Facility	2014 Pro Fee- Facility	Percent Change from 2013 Facility
62310 Cervical	\$110.23	\$74.15	-32.7%
62311 Lumbar	\$89.82	\$75.72	-19%
62318 CT Continuous	\$100.03	\$79.53	-20.5%
62319 LS Continuous	\$96.97	81.32	-16.1%

Spin	al Cord S	timulator	Trials (<u>Of</u>	fice)
	СРТ	2014 Pro Fee Non-Facility	Comments	
	63650	TOTAL \$1,349.44		
	L8680	0	L8680 is bundled into the Medicare fee schedule for offices effective 4/1/2014	
			T	14



Challenges to Pain in Offices NEWS FLASH

Policy makers in Washington are proposing an initiative to shift the delivery of interventional pain management from the ASC setting to physician offices or less sophisticated platforms.

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ASCA Physician Steering Committee

- Delegated to:
 - ☐ Help define the problem
 - ☐ Craft a strategic plan to ensure that pain management is safe and effective for all Medicare patients
 - □ Develop the necessary resources to implement that plan
- Currently, members are collecting data and developing multimedia messages and issue briefs for multilateral educational briefs with legislative and regulatory leaders.

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Office Based State Jurisdiction Trends

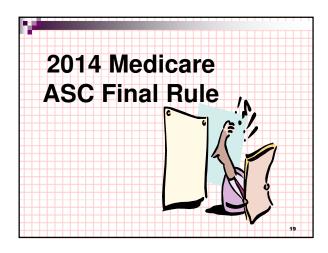
37 State Health Departments have jurisdiction on office based surgery meeting various thresholds

 Levels of anesthesia used and/or complexity of procedure performed requires a License, State Registration and/or Accreditation



Expensive, onerous preparation and ongoing surveys for no extra money AND less revenue from Medicare AND additional State Laws vary significantly

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	Ac	dd-On (Code	S		
	nditionally packaged pro					
	64480 is not separately					
	9; for 2014, 64480 has N	1 payment in	idicator o	r "Packag	ged service	e/item;
no se	parate payment made"					
Add	lendum AA Final ASC Cove Procedures	red Surgical Pro s for Which Pay			Including Su	rgical
Add		s for Which Pays	ment is Pac	kaged) Final CY	Final CY	Final CY
		s for Which Pays Subject to Multiple	Final CY 2014	kaged) Final CY 2014	Final CY 2014	Final CY 2014
HCPCS	Procedure	Subject to Multiple Procedure	Final CY 2014 Comment	Final CY 2014 Payment	Final CY 2014 Payment	Final CY 2014 Payment
	Proce dure:	s for Which Pays Subject to Multiple	Final CY 2014	kaged) Final CY 2014	Final CY 2014	Final CY 2014
HCPCS Code	Procedure: Short Descriptor In j foramen epidural c't	Subject to Multiple Procedure Discounting	Final CY 2014 Comment	Final CY 2014 Payment Indicator	Final CY 2014 Payment Weight	Final CY 2014 Payment Rate
HCPCS Code 64479	Proce dure:	Subject to Multiple Procedure Discounting	Final CY 2014 Comment Indicator	Final CY 2014 Payment Indicator A2	Final CY 2014 Payment Weight	Final CY 2014 Payment Rate

2014 Medicare ASC Fee Changes Transforaminal Epidural				
	Iransi	Oraninai E	pidurai	
	64479	+64480	64483	+64484
2014	\$370.07	\$0.00	\$370.07	\$0.00
2013	\$317.46	\$163.70	\$317.46	\$163.70
2013 2 levels/ 3 levels	\$399.31	/ \$481.16	\$399.31	/\$481.16
Difference for 1 level	\$52.61	-	\$52.61	-
Difference for 2 levels	-\$29.24	-	-\$29.24	-
Difference for 3 levels	-\$110.99	-	-\$110.99	-

				Fee C	nange	
Para		I Facet				
	64490	+64491	+64492	64493	+64494	+6449
2014	\$370.07	\$0.00	\$0.00	\$370.07	\$0.00	\$0.00
2013	\$317.46	\$102.47	\$102.47	\$317.46	\$102.47	\$102.4
2013 2 levels/ 3 levels	368.78 / \$	\$419.93		\$368.78 / \$4	19.93	
Difference for 1 level	\$52.61	-	-	\$52.61	-	-
Difference for 2 levels	\$1.29	-	-	\$1.29	-	-
Difference for 3 levels	-\$49.86	-	-	-\$49.86	-	-

2014 Medicare <u>ASC</u> Fee Changes Paravetbral Facet Joint Destruction					
	64633	+64634	64635	+64636	
2014	\$853.53	\$0.00	\$853.53	\$0.00	
2013	\$317.46	\$102.47	\$480.71	\$317.46	
2013 2 levels/ 3 levels	\$368.70	/\$419.93	\$639.	44 / \$798.17	
Difference for 1 level	\$536.07	-	\$372.82	-	
Difference for 2 levels	\$484.83	-	\$214.09	-	
Difference for 3 levels	\$433.60	-	\$55.36	-	

	Spinal	Cord Stimul	ator Trial	
	63650	Multiple Procedure Discount	Payment Indicator	L8680
2014	\$3,691.78	N	J8	N/A
2013	\$3,550.55	N	J8	N/A

Office Based IPM move to own ASC?

- > The key answer here is not just revenue.
- Having your own facility generates income, but can also consume very large amounts of time and overhead.
 - Revenue has to be viewed in context of risk, hours input, etc.

Pain in Facility Trends

LEI (62311) Example

■ASC payments increased by 15% from 2001 to 2014. ■Hospitals have consistently gained increases of 213% from 2001 to 2013 and 271% from 2001 to 2014.

- 2014 drastic cuts in non-facility payment and state regulations shows increased move towards pain management in licensed facilities.
- ☐ Multi-specialty ASC's without a pain program are adding the service
- ☐ Many hospitals expanding or adding pain services
- ☐ Some hospitals buying pain practices and ASC's₂6

Stay Informed and Involved

- Be aware of what is going on in the pain management industry.
- Know what Medicare is planning next and how it will affect your bottom line.
- Any ASC with adequate pain management procedure volume to keep providers and staff productive and equipment busy will be profitable with it
- ✓ IPM physicians join the ASCA steering committee



Resources and References State Laws and Regulations http://www.aaahc.org/en/news/Federal-and-State-Regulations/State-Laws-and-Regulations/ American Society of Interventional Pain Physicians http://www.asipp.org/ CY 2014 Physician Fee Schedule Final Rule http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PhysicianFeeSched/index.html?redirect=/physicianfeesched/ CY2014 OPPS/ASC Final Rule (CMS-1601-FC) http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/ASCPayment/index.html?redirect=/ascpayment/

