



Pacira Pharmaceuticals, Inc.

CMS Reimburses Non-Opioid Postsurgical Pain Management in the ASC:
A Review of the New CMS Rules and Opportunity for ASCs

December 4, 2018

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Agenda

-  Learning Objectives
-  The CMS Rule
-  Value in the ASC
-  Medicare Surgery Trends
-  Preparing for 2019
-  How Can I Learn More?

Introduction

Moderator: Scott Becker, JD, CPA; Partner, McGuireWoods; Publisher, *Becker's Hospital Review*

Content Review: Naya Kehayes, Principal, ECG Management Consultants

Panelists:

ASC Surgeon Owner: Dr Alan Barber, Plano Orthopedic – Sports Medicine & Spine Center

ASC Administrator: Gregory P. DeConciliis, PA-C, CASC, Boston Out-Patient Surgical Suites

ASC Billing and Coding Industry Leader: Lisa Rock, President, National Medical Billing Services

General Surgeon (former Medical Biller): Dr Brent Miller, Westside Surgical Associates, Rochester, NY

National ASC Management Company Leader: Matt Pate, SVP, Physician Strategy Group, USPI

Faculty Disclosures

- » The faculty have consulting relationships with Pacira Pharmaceuticals, Inc.
- » The program is not accredited for continuing medical education (CME) and attendees will not received CME credit.
- » This program is sponsored by Pacira Pharmaceuticals Inc.

Learning Objectives

Information and education on the CMS rule authorizing separate reimbursement for EXPAREL[®] (bupivacaine liposome injectable suspension) for Medicare patients

Perspectives on significance and value from ASC stakeholders

Medicare surgery trends in HOPDs and ASCs and opportunities with reimbursement access to EXPAREL

Guidance on preparing for billing with HCPCS code C9290

Information and resources to learn more about
EXPAREL and reimbursement through HCPCS
C9290 can be found at
[EXPAREL.com/reimbursement](https://www.exparel.com/reimbursement).

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The CMS Rule

Under the new CMS rule, EXPAREL® (bupivacaine liposome injectable suspension) is eligible for separate payment in the ASC setting effective January 1, 2019, when billed with HCPCS code C9290.

Site of Service

- » Payment is eligible in Medicare-certified ASCs only.
- » Acute care hospitals, HOPDs, and hospital-based same-day surgery centers are **not** eligible for separate payment.



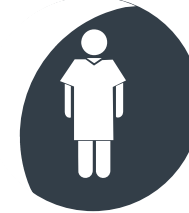
ASC Reimbursement Rates

- » \$1.20 per mg
- » EXPAREL® doses:
 - › 133 mg (10 mL):\$159.30
 - › 266 mg (20 mL):\$319.20



Population

- » Eligibility for Medicare patients starts January 1, 2019.
- » Access to commercial patients and reimbursement rates varies and is subject to commercial payor contract terms and methodologies.

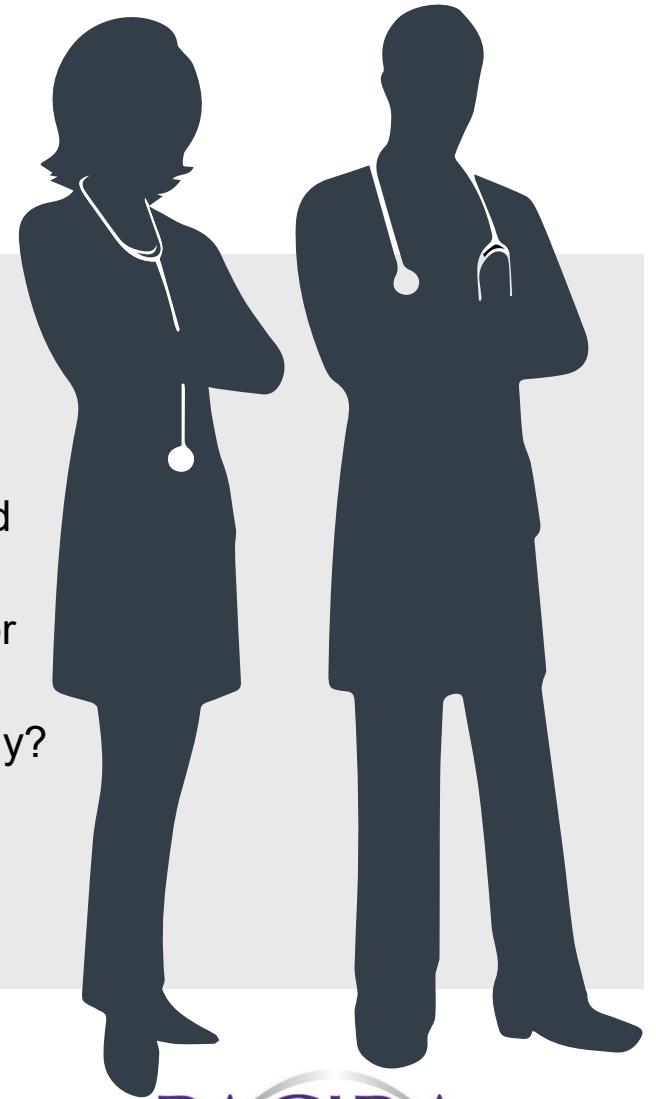


EXPAREL® is indicated for single-dose infiltration in adults to produce postsurgical local analgesia and as an interscalene brachial plexus nerve block to produce postsurgical regional analgesia. Safety and efficacy have not been established in other nerve blocks. There are 2 doses: 133 mg and 266 mg.

CMS Rule

Panelist Q&A

1. How does the availability of a non-opioid long-lasting postsurgical pain management option impact your surgical practice and your patients?
2. What types of surgeries are best suited for EXPAREL[®] (bupivacaine liposome injectable suspension) in an ASC? And in which surgeries do you use EXPAREL?
3. What do providers and administrative staff need to do to bill for EXPAREL using code C9290 for Medicare?
4. When did your ASCs start making EXPAREL available and why?



Value in the ASC

Reimbursement for EXPAREL® (bupivacaine liposome injectable suspension) allows greater patient access to an opioid-free option for postsurgical pain management in the ASC.

1 EXPAREL has been clinically demonstrated to significantly reduce opioid use while achieving effective pain control.



Opioids are associated with a range of side effects that can impact achievement of recovery milestones and patient experience

2

3 Financial considerations or supply cost concerns to use EXPAREL on Medicare patients are now eliminated.



The CMS rule provides the necessary momentum for commercial payors to follow CMS's policy, which is aimed at supporting the use of non-opioid-based postsurgical pain management in the ASC for Medicare patients.

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The clinical benefit of the decrease in opioid consumption was not demonstrated in the pivotal trials.

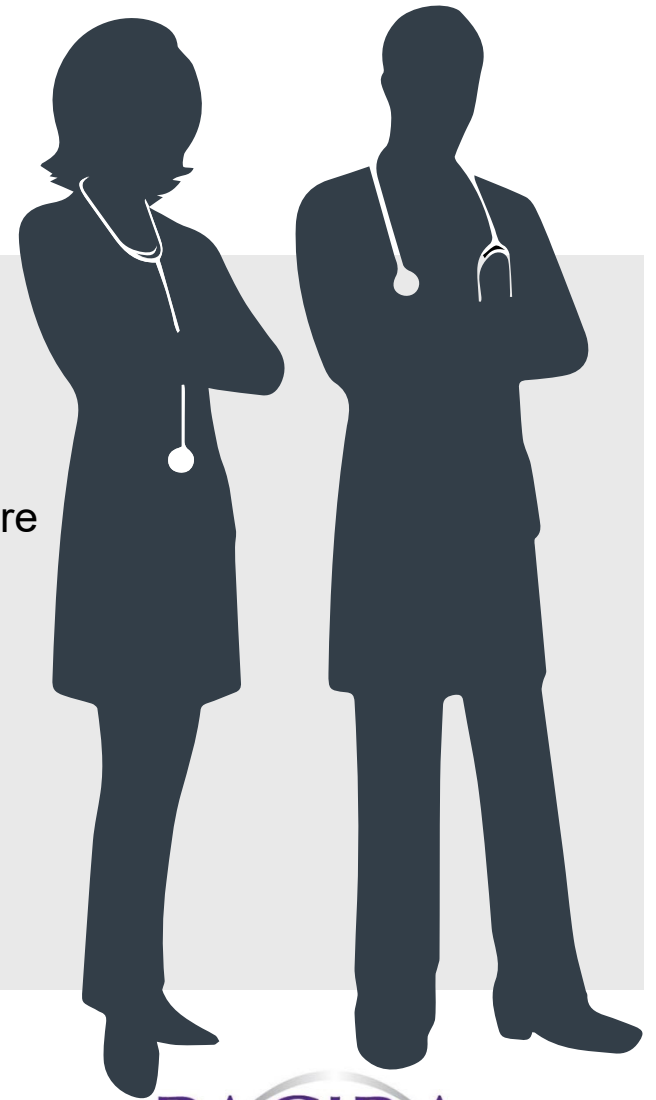
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Value in the ASC

Panelist Q&A

1. What is your experience with patients desiring the option for a nonopioid alternative for postsurgical pain management? What is your experience with patients desiring and receiving EXPAREL?
2. What do you expect from commercial payors now that Medicare has approved separate payment for nonopioid drugs such as EXPAREL in an ASC?



Medicare Surgery Trends

Postsurgical pain management is a key consideration when choosing surgical procedures performed in an ambulatory setting. EXPAREL® (bupivacaine liposome injectable suspension) has a broad indication for infiltration across all surgical procedures. Expanded indication also includes interscalene brachial plexus nerve block.¹

ECG Case Category ⁴⁻⁷	HOPD Utilization ²			ASC Utilization ³			Total HOPD + ASC Utilization		
	2014	2015	2016	2014	2015	2016	2014	2015	2016
Ortho Rotator Cuff	38,126	39,522	45,543	22,056	23,023	24,360	60,182	62,545	69,903
Ortho - Other Shoulder Repair / Reconstruction	26,741	10,243	9,653	12,779	13,104	13,026	39,520	23,347	22,679
Spine - Lami	45,015	46,846	56,395	137	1,632	2,158	45,152	48,478	58,553
General Surg - Hernia Repair	37,644	41,970	50,336	2,575	2,870	3,299	40,219	44,840	53,635
Breast Reconstruction	55,812	32,478	37,376	3,631	3,730	4,279	59,443	36,208	41,655
Hammertoe	42,137	10,064	10,390	23,412	21,530	21,273	65,549	31,594	31,663
GYN - Hysterectomy	19,881	20,669	23,237	27	25	25	19,908	20,694	23,262
Spine - Kyphoplasty	-	19,274	20,465	-	603	424	-	19,877	20,889
Bunionectomy	17,559	9,891	9,939	3,010	2,601	2,431	20,569	12,492	12,370
Urology - Sling Procs	11,466	9,697	10,829	523	535	613	11,989	10,232	11,442
Joint Replacement - Uni-Knee	5,359	6,496	8,185	853	897	1,331	6,212	7,393	9,516
General Surg - Hemorrhoidectomy	8,121	7,447	7,607	422	314	290	8,543	7,761	7,897
Spine - Fusion Cervical	840	1,417	2,413	-	116	232	840	1,533	2,645
Spine - Vertebroplasty	-	3,015	2,369	-	12	11	-	3,027	2,380
Spine - Fusion Lumbar	393	425	1,182	-	47	44	393	472	1,226
Ortho - ACL/PCL	1,045	893	885	-	17	-	1,045	910	885
Joint Replacement - Hand	355	389	431	-	-	-	355	389	431
Joint Replacement - Elbow	335	317	428	-	-	-	335	317	428
Joint Replacement - Partial Knee	331	282	324	-	-	-	331	282	324
Joint Replacement - Wrist	377	233	259	-	-	-	377	233	259
Joint Replacement - Hemi Shoulder	70	46	37	-	-	-	70	46	37

1. EXPAREL is indicated for single dose infiltration in adults to produce postsurgical local analgesia and as an interscalene brachial plexus nerve block to produce postsurgical regional analgesia. Safety and efficacy have not been established in other nerve blocks; 2. HOPD utilization from OPSS CPT Cost Statistics files. (<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Hospital-Outpatient-Regulations-and-Notices.html>); 3. ASC utilization from Medicare Provider Utilization and Payment Public Use Files for Physician and Other Suppliers where Provider Type is Ambulatory Surgical Center. (<https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/Medicare-Provider-Charge-Data/Physician-and-Other-Supplier.html>); 4. Hammertoe includes CPT code 28285; 5. Bunionectomy includes CPT codes 28292, 28296, 28297, 28298, and 29299; 6. Ortho rotator cuff repair includes CPT codes 23412 and 29827; 7. Ortho shoulder repair/reconstruction includes CPT codes 23130, 23410, 23420, 29807, and 29824.

Medicare Surgery Trends

Panelist Q&A

1. In the example provided, do any of the trends shown with Medicare patients stand out as procedures that may benefit from the option of having access to a nonopioid postsurgical pain management alternative?
2. How much does postsurgical pain control impact the site of service for performing surgery on your patients? Is it any different with Medicare patients?
3. Would you say that access to EXPAREL[®] (bupivacaine liposome injectable suspension) has impacted the migration of surgical cases from the hospital to the ASC setting?

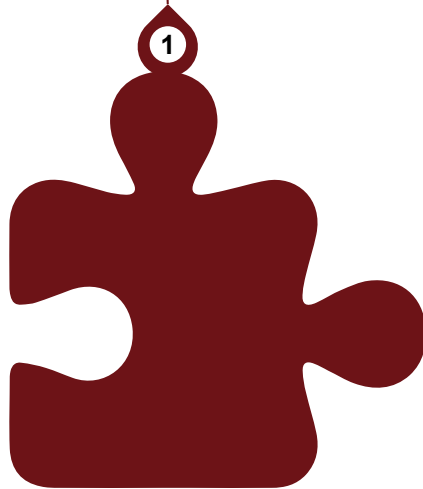


Preparing for 2019

Reimbursement will be available for Medicare patients using EXPAREL® (bupivacaine liposome injectable suspension) starting January 1, 2019, if billed with HCPCS code C9290.

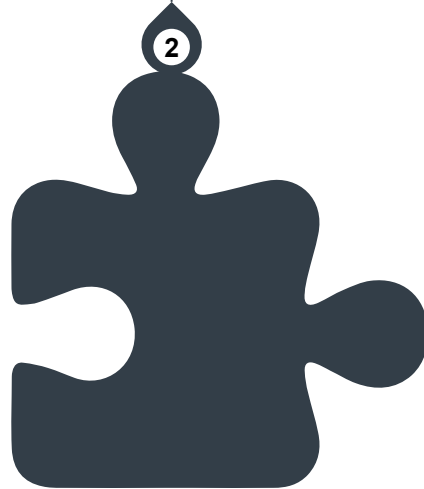
Review case types that may benefit from EXPAREL use in the ASC.

1



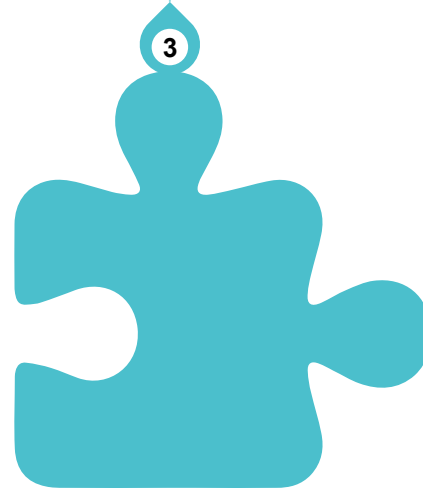
Consider those patients who are being prescribed narcotics to manage pain postdischarge.

2



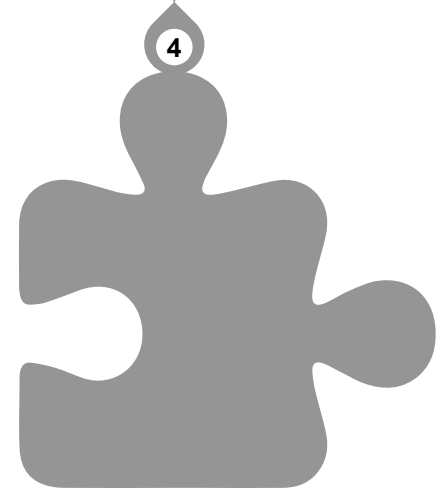
Educate providers and Medicare patients about the coverage for EXPAREL.

3



Contact commercial payors to determine if the payor will allow for reimbursement in light of the CMS rule for Medicare patients.

4



Preparing for 2019

Panelist Q&A

1. What are the biggest opportunities that you foresee ASCs will have as a result of CMS's ruling on separate payment for EXPAREL® (bupivacaine liposome injectable suspension)?
2. What are the most effective ways for communicating to patients and providers that an ASC has a nonopioid postsurgical pain management alternative available?
3. What advice would you give to ASCs that are seeking approval for reimbursement of EXPAREL with commercial payors?



How Can I Learn More?

EXPAREL®

(bupivacaine liposome injectable suspension)

Resources

Pacira Pharmaceuticals, Inc. has resources available regarding the new rule and the reimbursement process.

- » Your local representative
- » www.EXPAREL.com/reimbursement
- » reimbursement@pacira.com
- » 1-855-RX-EXPAREL



Questions & Discussion

