



**AdvaMed**

Advanced Medical Technology Association

**Comments to  
Centers for Medicare and Medicaid Services  
Advisory Panel on Hospital Outpatient Payment  
August 21-22, 2018**

**Submitted By: DeChane L. Dorsey, Esq.  
On behalf of the  
Advanced Medical Technology Association (AdvaMed)**

AdvaMed appreciates the opportunity to address the Advisory Panel on Hospital Outpatient Payment (the Panel) and commends the Panel on its efforts to evaluate and improve the APC groups under the hospital outpatient prospective payment system (OPPS) and to ensure that Medicare beneficiaries have timely access to new technologies.

AdvaMed member companies produce the medical devices, diagnostic products, and health information systems that are transforming health care through earlier disease detection, less invasive procedures, and more effective treatments. AdvaMed members range from the largest to the smallest medical technology innovators and companies.

AdvaMed is committed to ensuring patient access to life-saving and life-enhancing devices and other advanced medical technologies in the most appropriate settings and supports a system with payment weights and payment rates that include sufficient resources to account for the costs of the medical technologies associated with hospital outpatient and ambulatory surgical center procedures.

Our comments today will address two topics:

- **Reconfiguring APCs**
- **Comments on Specific APCs**

## **I. Reconfiguring APCs**

There are several issues related to reconfiguring APCs that we would like to address.

### **Comprehensive APCs**

CMS introduced the concept of comprehensive APCs (C-APCs) in the CY 2014 Outpatient Prospective Payment System rule. Since that time the agency has continued to create additional comprehensive APCs (C-APCs) and to make modifications to the policies governing development and use of these payment groupings.

C-APCs were first used on Medicare claims in CY 2015. The CY 2017 OPPS rates represented the first full year of claims data used for rate setting since establishment of C-APCs. AdvaMed has previously expressed concerns regarding whether the rates associated with the

comprehensive APC's adequately or accurately reflect all of related procedures and costs. This is of concern as CMS continues to expand the number of packaged and bundled services.

- ***AdvaMed encourages the Panel to recommend that CMS continue to analyze the claims data and to report on the impact of comprehensive APC changes on all affected codes and any impacts on patient access to services that are bundled under the comprehensive APCs.***

### **Complexity Adjustments**

CMS has developed a process for identifying and applying complexity adjustments to certain combinations of codes as a part of the comprehensive APC policy. AdvaMed has repeatedly expressed concerns regarding appropriate application of complexity criteria and the resulting APC assignments for codes within the comprehensive APCs.

- ***AdvaMed appreciates CMS efforts to re-evaluate some complexity adjustment criteria. However, due to the timing of statement submission coupled with the late release of the rule we are unable to provide recommendations on this issue at this time. We look forward to providing CMS with comments on this issue as part of our OPPS comment submission.***

### **Device Edits**

AdvaMed has previously expressed concern regarding the elimination of device edits. Device edits have historically been very useful in ensuring the collection of accurate cost data.

- ***AdvaMed requests that the Panel recommend that CMS continue to monitor claims to evaluate the need to reinstate all device edits.***

### **Packaging Items and Services into APCs**

#### **Skin Substitute Products**

For CY 2019 CMS is proposing to continue its CY 2018 policy of packaging payment for skin substitute products and paying for these products via a low or high cost APC structure. The agency notes that it has received stakeholder input regarding the current payment method and is inviting feedback for consideration of the proposed alternatives presented by these stakeholders for modification of its payment policy in the future.

- ***AdvaMed supports CMS' recommendation to allow stakeholders time to analyze and comment on the potential ideas raised for CY 2019 while continuing its CY 2018 policy of assigning skin substitutes to the low or high cost group. We believe it is important to maintain stability in the payment system for skin substitutes while potential improvements to the methodology are considered.***

## **II. Comments on Specific APCs**

### **Endovascular APCs**

For several comment cycles AdvaMed has expressed concern regarding the composition of the Endovascular procedure APC groupings. While CMS is proposing to maintain the existing four level structure for CY 2019, we appreciate the Agency's being responsive to stakeholder input by also soliciting comment on the development of a 5 or 6 level structure for Endovascular APC procedures. We look forward to working with the Agency on these issues.

### **Musculoskeletal APCs**

AdvaMed has expressed concern regarding the grouping of musculoskeletal procedures within the various APC levels. We appreciate CMS being responsive to stakeholder input by opening this issue up for comment on the feasibility of creating a new Musculoskeletal grouping between levels 5 and 6. We look forward to working with the Agency to structure the Musculoskeletal APC levels in a way that promotes greater clinical and resource homogeneity.

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AdvaMed encourages the Panel to continue to recognize the unique challenges associated with device-dependent procedures and urges the Panel and CMS to carefully consider the timeliness, adequacy, and accuracy of the data and the unique perspective that manufacturers bring to these issues.

Thank you.

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For additional information, please contact: DeChane L. Dorsey, Esq., Vice President, Payment and Health Care Delivery Policy, Advanced Medical Technology Association (AdvaMed), 701 Pennsylvania Avenue, NW, Suite 800, Washington, DC 20004; email: [ddorsey@AdvaMed.org](mailto:ddorsey@AdvaMed.org); phone (202) 434-7218.