

Fiscal Year (FY) 2019 Hospital Inpatient Final Rule

Interventional Cardiology, Peripheral Interventions & Rhythm Management

On August 2, 2018, the Centers for Medicare & Medicaid Services (CMS) released Fiscal Year (FY) 2019 Hospital Inpatient Prospective Payment System (IPPS) final rates and policies that apply to approximately 3,330 acute care hospitals. The final rates will go into effect on October 1, 2018.

See Table 1 on page 5 for proposed payment rates for procedures of interest to Interventional Cardiology (IC), Peripheral Interventions (PI) and Rhythm Management (RM).

IPPS Final RULE HIGHLIGHTS

Final CHANGES TO PAYMENT RATES UNDER IPPS

CMS projects total payments will increase by about \$4.8 billion in FY2019. This marks a 1.85% increase to hospitals as demonstrated in the table below:

Program Changes to Payment Rates	FY2019 Final Payment Adjustments*
Projected hospital market basket update	2.9%
Productivity adjustment	-0.8%
MACRA	+0.5%
Affordable Care Act required update	-0.75%
Total update*	+1.85%

*For hospitals that participate in the Hospital Inpatient Quality Reporting (IQR) and meaningful use of Electronic Health Records (EHR) programs

The majority of final changes relate to elements of the payment system impacted by recent legislation such as: the 21st Century Cures Act, and other efforts to reduce burdensome reporting requirements. Final changes regarding pricing transparency, pay-for-performance programs and meaningful use are detailed below.

Pricing Transparency

Currently, hospitals are required by CMS to make publicly available a list of their standard charges, or policies which can be available for viewing upon request. However, to further encourage price transparency and improve public accessibility of charge information, CMS is updating its guidelines to specifically require hospitals to make an online public list of their standard charges by January 1, 2019, and will update this information at least annually.

Pay-for-Performance Programs

CMS is finalizing changes to its “pay-for-performance” programs to reduce paperwork and reporting burdens on providers.

Inpatient Quality Reporting (IQR) Program:

The Hospital IQR Program collects and publishes data on quality measures in the inpatient hospital setting. CMS is:

- Removing 18 previously adopted measures that are no longer relevant or where the burden of collection outweighs the measure’s benefit;
- De-duplicating 21 measures (measures will remain in one of the other four hospital quality programs).

Hospital Value-Based Purchasing (VBP) Program:

The Hospital VBP Program adjusts payments to IPPS hospitals for inpatient services based on their performance on an announced set of measures. CMS is:

- De-duplicating 4 measures: removing 1 safety measure that is already in the Hospital IQR Program and removing 3 condition-specific payment measures, as they are already in the Hospital IQR Program.
- Of note, two of the measures being removed are in our clinical space: 30-day episode cost for AMI and 30-day episode cost for HF. These finalized changes mean that hospitals’ performance in these areas will no longer affect their overall payment rate, but these measures will still be part of the IQR and be available for benchmarking and public use.

Hospital Acquired Conditions (HAC) Reduction Program:

The HAC Reduction Program reduces applicable IPPS payments by 1 percent for all hospitals that rank in the worst-performing 25 percent. CMS is finalizing minor changes to HAC, including updating measure weighting to simplify its methodology and address the concerns of small hospitals.

Hospital Readmissions Reduction Program (RRP)

The Hospital RRP reduces applicable IPPS payments by up to 3 percent for excess readmissions associated with acute myocardial infarction (AMI), heart failure (HF), pneumonia, chronic obstructive pulmonary disease (COPD), total hip arthroplasty/total knee arthroplasty (THA/TKA), and coronary artery bypass graft (CABG). CMS is finalizing updated definitions needed to assign eligible hospitals into five equal sized peer groups based on their proportion of dual eligible patients. CMS estimates that the RRP will save approximately \$566 million in FY2019.

Meaningful Use to “Promoting Interoperability”

CMS is finalizing an overhaul of the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs (also known as the “Meaningful Use” program) and renaming it “Promoting Interoperability”. The goal of restructuring is to promote more data exchange.

NEW TECHNOLOGY ADD-ON PAYMENT (NTAP) APPLICATIONS

NTAP is based on the merits of meeting all criteria for newness, high cost threshold, and substantial clinical improvement. CMS received 15 applications for FY2019 and three NTAPs were proposed to be continued for FY2019. The NTAPs that relate to cardiovascular procedures are shown below.

Approved NTAP Applications for FY2019	
Technology	Used For
Cerebral Protection System (Sentinel® Cerebral Protection System) (Claret Medical, Inc) http://www.claretmedical.com/us-healthcare-professionals/technology/protected-tavr-with-sentinel-cps/	Indicated for the use as an embolic protection (EP) device to capture and remove thrombus and debris while performing transcatheter aortic valve replacement (TAVR) procedures.
Withdrawn/Not Eligible for NTAP Applications for FY2019	
Technology	Used For
Supersaturated Oxygen (SSO2) Therapy (DownStream® System) (TherOx, Inc.)	Adjunctive therapy designed to ameliorate progressive myocardial necrosis by minimizing microvascular damage in patients who have received treatment for a diagnosis of acute myocardial infarction (AMI) following percutaneous intervention (PCI) with coronary artery stent placement
DURAGRAFT® Vascular Conduit Solution (Somahlution, Inc.)	Used to protect the endothelium of the vein graft following harvesting and prior to grafting to prevent vascular graft disease (VGD) and vein graft failure (VGF), and to reduce the clinical complications associated with graft failure

NTAPs Discontinued for FY 2019	
Technology	Used For
LivaNova Perceval Valve (Perceval)	Indicated for the replacement of diseased, damaged, or malfunctioning native or prosthetic aortic valves.
EDWARDS INTUITY Elite™ Valve System (INTUITY)	Bovine pericardial aortic bio valve w/balloon expandable stainless-steel frame. Rapid deployment mechanism allows valve to be deployed & secured using 3 non-pledgeted sutures vs. 12-18 pledgeted sutures.

FINAL PAYMENT CHANGES FOR PROCEDURES OF INTEREST

Interventional Cardiology & Structural Heart (% weighted averages shown)

- Drug-eluting stent payment rates will increase 0.75%.
- Bare metal stent payment rates will increase 4.37%.
- Non-stent plain old balloon angioplasty (POBA) or Atherectomy payment rates will increase 3.47%.
- TAVR payment rates will decrease 4.39%.
- WATCHMAN™ LAAC payment rates will increase 7.13%.
- CMS approved a New Technology Add on Payment (NTAP) for the Sentinel® Cerebral Protection System from Claret Medical, Inc., with a maximum add on payment of \$1,400 per procedure.

Peripheral Interventions (% weighted averages shown)

- Lower extremity arterial/venous percutaneous mechanical thrombectomy rates will increase by 4.51%.
- PTA, stenting, atherectomy and embolization payment rates will increase by 2.60%.
- Carotid artery stent payment rates will decrease by 1.77%.

Rhythm Management (% weighted averages shown)

- ICD and CRT-D system implant payment rates will increase 0.66%.
- ICD and CRT-D generator replacement payment rates will decrease 6.81%.
- AICD Lead Procedures payment rates will decrease 5.34%.
- Pacemaker and CRT-P system implant payment rates will increase 0.60%.
- Pacemaker and CRT-P generator replacement payment rates will increase 0.35 %.
- Intracardiac ablation payment rates will increase 7.13%.
- Leadless cardiac pacemaker payment rates will increase 1.85%.
- Pacemaker Revisions and Insertion of Cardiac Rhythm Monitor (ICM) will increase 2.69%.

COMMENTS / QUESTIONS

If you have questions or would like additional information contact:

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SOURCE INFORMATION

Read the full FY2019 Final IPPS Rule (CMS-1694-P) at the following link:

<https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2019-IPPS-Final-Rule-Home-Page.html>

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Table 1: Interventional Cardiology, Peripheral Interventions, and Rhythm Management MS-DRGs of Interest

MS-DRG	MS-DRG Description	FY2019 Final Rate	FY2018 Final Rate	\$ Change (FY2018 Final - FY2019 Final)	% Change (FY2018 Final - FY2019 final)
Interventional Cardiology					
Drug-Eluting Stents					
246	Percutaneous cardiovascular procedures w drug-eluting stent w MCC or 4+ arteries or stents	\$19,787	\$19,347	\$440	2.27%
247	Percutaneous cardiovascular proc w drug-eluting stent w/o MCC	\$12,690	\$12,750	-\$60	-0.47%
Bare Metal Stents					
248	Percutaneous cardiovascular procedures w non-drug-eluting stent w MCC or 4+ arteries or stents	\$19,382	\$18,366	\$1,016	5.53%
249	Percutaneous cardiovasc proc w non-drug-eluting stent w/o MCC	\$12,158	\$11,792	\$366	3.10%
Angioplasty or Atherectomy without Stent					
250	Perc cardiovasc proc w/o coronary artery stent w MCC	\$15,803	\$15,102	\$701	4.64%
251	Perc cardiovasc proc w/o coronary artery stent w/o MCC	\$10,250	\$10,020	\$230	2.30%
Endovascular Cardiac Valve Replacement (TAVR)					
266	Endovascular Cardiac Valve Replacement w MCC	\$43,935	\$46,720	-\$2,785	-5.96%
267	Endovascular Cardiac Valve Replacement w/o MCC	\$35,727	\$36,801	-\$1,074	-2.92%
WATCHMAN™ LAAC Procedure					
273	Perc cardiovasc proc w/o coronary artery stent w MCC	\$22,314	\$21,569	\$745	3.45%
274	Perc cardiovasc proc w/o coronary artery stent w/o MCC	\$18,195	\$16,684	\$1,511	9.06%
Peripheral Interventions					
PTA, Stent & Atherectomy					
252	Other vascular procedure w MCC	\$19,915	\$19,486	\$429	2.20%
253	Other vascular procedure w CC	\$15,849	\$15,277	\$572	3.74%
254	Other vascular procedure w/o MCC/CC	\$11,058	\$10,924	\$134	1.23%
Lower Extremity Percutaneous Mechanical Thrombectomy					
270	Other major cardiovascular procedures w/ MCC	\$30,923	\$29,777	\$1,146	3.85%
271	Other major cardiovascular procedures w/ CC	\$21,344	\$20,391	\$953	4.67%
272	Other major cardiovascular procedures w/o MCC/CC	\$15,995	\$14,788	\$1,207	8.16%
MS-DRG assignment for embolization varies, including but not limited to MS-DRG 252, 253, 254 or 270, 271, 272.					
Carotid Artery Stenting					
034	Carotid artery stent procedure w MCC	\$21,992	\$24,057	-\$2,065	-8.58%
035	Carotid artery stent procedure w CC	\$13,564	\$13,426	\$138	1.03%
036	Carotid artery stent procedure w/o CC/MCC	\$10,545	\$10,628	-\$83	-0.78%
Rhythm Management					
ICD Systems					
222	Cardiac defib implant w cardiac cath w AM/ HF/shock w MCC	\$49,712	\$51,136	-\$1,424	-2.78%
223	Cardiac defib implant w cardiac cath w AM/ HF/shock w/o MCC	\$38,832	\$38,823	\$9	0.02%
224	Cardiac defib implant w cardiac cath w/o AM/ HF/shock w MCC	\$45,359	\$44,241	\$1,118	2.53%
225	Cardiac defib implant w cardiac cath w/o AM/ HF/shock w/o MCC	\$34,941	\$34,117	\$824	2.42%
226	Cardiac defibrillator implant w/o cardiac cath w MCC	\$41,654	\$40,964	\$690	1.68%
227	Cardiac defibrillator implant w/o cardiac cath w/o MCC	\$32,481	\$32,573	-\$92	-0.28%
ICD Replacements					
245	AICD generator procedures	\$30,620	\$32,859	-\$2,239	-6.81%
265	AICD Lead procedures	\$19,041	\$20,115	-\$1,074	-5.34%
Pacemaker Systems					
242	Permanent cardiac pacemaker implant w MCC	\$22,830	\$22,331	\$499	2.23%
243	Permanent cardiac pacemaker implant w CC	\$15,605	\$15,722	-\$117	-0.74%
244	Permanent cardiac pacemaker implant w/o CC/MCC	\$12,895	\$12,894	\$1	0.01%
Pacemaker replacements					
258	Cardiac pacemaker device replacement w MCC	\$18,259	\$18,570	-\$311	-1.67%
259	Cardiac pacemaker device replacement w/o MCC	\$12,811	\$12,577	\$234	1.86%
Pacemaker Revisions and Insertion of cardiac rhythm monitor (ICM)					
260	Cardiac pacemaker revision except device replacement w MCC	\$22,112	\$21,620	\$492	2.28%
261	Cardiac pacemaker revision except device replacement w CC	\$12,168	\$11,680	\$488	4.18%
262	Cardiac pacemaker revision except device replacement w/o CC/MCC	\$9,964	\$9,950	\$14	0.14%
Intracardiac Ablation and WATCHMAN™ LAAC Procedure					
273	Percutaneous Intracardiac Procedures w MCC	\$22,314	\$21,569	\$745	3.45%
274	Percutaneous Intracardiac Procedures w/o MCC	\$18,195	\$16,684	\$1,511	9.06%

Source: FY2018 CN calculated rates assume the hospital submits quality data and is a meaningful EHR user (Update = 1.35 Percent)
FY2019 FR calculated rates assume the hospital submits quality data and is a meaningful EHR user (Update = 1.35 Percent)

Please Note: Boston Scientific currently has no FDA-approved insertertable cardiac rhythm monitors (ICM)
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