

## **Fiscal Cliff Payment Change Benefits Varian**

An unanticipated provision in the congressional budget bill addressing the U.S. "fiscal cliff" included a financial and competitive advantage for radiation therapy firm Varian Medical Systems, according to a recent *Wall Street Journal* article.

A last-minute provision in the bill, put through by Senate Majority Leader Harry Reid (D-NV), mandated that Medicare payments for a treatment with Varian's linear accelerator-based stereotactic radiosurgery systems remain the same. However, reimbursement would be reduced 58% for hospitals using Gamma Knife, resulting in similar reimbursement levels for both Gamma Knife and linear accelerator-based treatments. Gamma Knife is manufactured by the Swedish firm Elekta.

Varian had been trying to obtain a reimbursement per treatment with linac-based stereotactic radiosurgery that was comparable to the Gamma Knife treatment, but the firm couldn't convince officials at the U.S. Centers for Medicare and Medicaid Services (CMS). In November, CMS reaffirmed the separate rate structure for the treatments. After this occurred, Varian's representatives lobbied Congress to get the rates equalized.

The senator's aides confirmed that the provision was added to the fiscal cliff legislation on December 31, 2012. The International RadioSurgery Association has requested Congress to reverse the new payments.