

## **Radiation Stakeholders Surprised at Fiscal Cliff Deal Cutting 'Gamma Knife SRS' Payments**

Key radiation stakeholders were caught off-guard by an unexpected pay cut to a high-cost Cobalt-60 stereotactic radiosurgery (SRS) -- known as Gamma Knife - that sources say was quietly tucked into the fiscal cliff deal at the last minute as a way to offset the one-year "physician payment fix" and are urging lawmakers to get CMS to re-examine the payment rates through the regulatory process. The provision gleans at least \$300 million by lowering payments for the Gamma Knife technology (manufactured by Elekta) to put them in line with payments for linear accelerator-based (or LINAC) stereotactic radiosurgery.

Radiation oncology stakeholders, including the American Society for Radiation Oncology (ASTRO) and Medical Imaging & Technology Alliance (MITA), were shocked to find the cuts, which are slated to begin April 1st, included in the legislation and are still seeking to discover how they got there, especially since CMS does not support the proposal.

Although both technologies are used for SRS, the higher cost Gamma Knife claims in marketing to have greater accuracy than LINAC systems, as it was specifically designed for brain tumors while the LINAC system can be used on lesions body-wide. Varian has previously called for payment parity for the two technologies, and various sources hinted that the California-based company may have been behind the stealth provision, but Varian did not return calls to comment or confirm that is the case.

Specifically, the legislation contained one radiation oncology provision that applies to Cobalt-60 SRS (i.e. CPT 77371) payments in the hospital outpatient setting only. CPT 77371 is currently assigned to APC 127 with a current hospital outpatient payment of \$7910.51 through March 31st. Effective April 1st, the Cobalt-60 SRS payment will be capped at the SRS Linear Accelerator (i.e. HCPCS G0173) payment rate assigned to APC 67 of \$3,300.64, yielding a \$4,610 payment cut. CMS has consistently rejected previous proposals that would equalize payments for the two technologies.

ASTRO expressed deep concerns that the payment policy was enacted outside of the traditional rate setting process and without public input. ASTRO issued a statement urging Congress to reconsider the significant payment cut, which gives providers less than three months to prepare and instead encourage Medicare to reexamine these payment rates through the hospital outpatient payment system with stakeholder input. ASTRO supports the outpatient payment system's use of hospital-reported cost information to set payment rates for services and is concerned the policy change ignores this long-standing, accepted process.

Neurological surgeons also expressed concerns about the decision. Current hospital cost reporting more accurately captures the cost differentials between Cobalt-60 equipment and linear accelerators and neurological surgeons worry that these arbitrary cuts will adversely affect the treatment of patients with brain cancer and other neurologic diseases, says a source with the American Association of Neurological Surgeons/ Congress of Neurological Surgeons.

Other imaging stakeholders, including MITA, also blasted the cuts. These cuts are in addition to the more than \$1 billion in cuts for imaging and radiation therapy services put in place earlier in 2012, MITA states. When you add up all the Medicare cuts and Congress' reluctance to address the \$30 billion medical device tax, this legislation produces a devastating impact that harms patient access to care, moves manufacturing jobs overseas and threatens America's leadership in medical research and development.