

AAPM SUBMITS COMMENTS ON 2019 MEDICARE PHYSICIAN FEE SCHEDULE PROPOSED RULE

The AAPM recently submitted comments and recommendations to the Centers for Medicare and Medicaid Services (CMS) regarding the 2019 Medicare Physician Fee Schedule (MPFS) proposed rule, which specifies payment rates to physicians and other providers, including freestanding radiation therapy centers. One key proposal would significantly reduce future reimbursement for stereotactic body radiation therapy (SBRT) and high dose rate (HDR) brachytherapy services.

CMS initiated a market research contract with StrategyGen to conduct an in-depth and robust market research study to update the direct practice expense (PE) inputs for supply and equipment pricing for CY 2019. These supply and equipment prices were last systematically developed in 2004-2005. StrategyGen found that despite technological advancements, the average commercial price for medical equipment and supplies remained relatively consistent with the current CMS price. StrategyGen submitted a

report with updated pricing recommendations for approximately 1,300 supplies and 750 equipment items currently used as direct PE inputs. After reviewing the StrategyGen report, CMS is proposing to adopt the updated direct PE input prices for supplies and equipment as recommended by StrategyGen.

The AAPM provided the following comments and recommendation:

While the AAPM supports CMS efforts to update equipment and supply pricing to reflect current costs, the AAPM also believes that the proposed post-transition pricing for certain medical equipment items used for cancer care are inaccurate. The lack of transparency of the contractor process and specific inputs (i.e. manufacturer name, model and price) used to develop updated pricing are concerning. In particular, the AAPM believes the three (3) medical equipment items shown in Table 1 are significantly undervalued relative to fair market pricing.

TABLE 1

Equipment Item	2018 Current Price	2022 Recommended Price	Percentage Change Over 4-Year Transition Period
ER003 HDR Afterload System, Nucletron - Oldelft	\$375,000	\$111,426	-70%
ER083 SRS System, SBRT, Six Systems	\$4,000,000	\$931,965	-77%
ES052 Brachytherapy Treatment Vault	\$175,000	\$134,998	-21%

By way of example, SRS LINAC (ER082) and SBRT LINAC (ER083) systems are similar in both technological complexity and pricing in the current marketplace, yet the proposed StrategyGen pricing would value the latter (\$931,965) at a small fraction of the former (\$4,195,100). All equipment items shown in Table 1 have recommended prices that are below industry standards. Given the high cost of these items and their substantial utilization in certain radiation oncology delivery codes, it is imperative that CMS inputs accurately reflect the marketplace pricing.

The 2018 price for the Nucletron Oldelft High Dose Rate (HDR) Afterload System (ER003) is \$375,000. CMS proposes a new price of \$111,426, a 70 percent pricing reduction. We think that StrategyGen may have included updated pricing for a less costly electronic brachytherapy system used to treat non-melanoma skin cancer. This equipment type would not be utilized with procedures that utilize a HDR afterloader (i.e., CPT 77767, 77768, 77770, 77771 and 77772). Alternatively, the new recommended price may represent an equipment upgrade or refurbished equipment. Due to the lack of transparency, we are not able to verify the specific types of medical equipment used to determine the new pricing for ER003, but it is clearly in error.

The 2018 price for the Brachytherapy Treatment Vault (ES052) is \$175,000. CMS proposes a new price of \$134,998. Invoices for the

Brachytherapy Treatment Vault were submitted in 2015 when the HDR Brachytherapy codes were last revalued by the AMA Relative Value Scale Update Committee (RUC). The recent pricing data supports the current price of \$175,000.

The AAPM recommends that CMS utilize the existing practice expense inputs for equipment items ER003 HDR Afterload System, ER083 SBRT System and ES052 Brachytherapy Treatment Vault. AAPM believes the current prices for those items, which were established through the RUC process, should be retained.

In addition, CMS is proposing to phase-in the use of the new direct PE input pricing over a 4-year period using a 25/75 percent (CY 2019), 50/50 percent (CY 2020), 75/25 percent (CY 2021), and 100/0 percent (CY 2022) split between new and old pricing. We agree that implementing the proposed updated prices with a 4-year transition will improve payment accuracy, while maintaining stability and allowing stakeholders the opportunity to address potential concerns about changes in payment for particular items.

To review the complete AAPM comment letter and recommendations regarding other proposals, go to: https://www.aapm.org/government_affairs/CMS/2019HealthPolicyUpdate.asp ■