



2010 MEDICARE RATES

State Association Briefing

SUMMARY OF FINAL RULE

(To Be Published November 20, 2009)

- **No major changes in methodology**
- **Inflation update – 1.2%**
- **Changes in procedure payment rates**
- **Continue with expected transition**
- **Changes to the ASC list**
- **No quality reporting**
- **No cost reporting**

PAYMENT CHANGES

Highest Volume ASC Procedures

HCPCS	DESCRIPTION	2009 RATE	2010 RATE	% CHANGE
66984	Cataract surg w/iol, 1 stage	\$964.70	\$962.44	-0.23
43239	Upper gi endoscopy, biopsy	\$393.07	\$369.45	-6.01
45380	Colonoscopy and biopsy	\$398.85	\$380.23	-4.67
45378	Diagnostic colonoscopy	\$398.85	\$380.23	-4.67
66821	After cataract laser surgery	\$258.60	\$234.03	-9.5
45385	Lesion removal colonoscopy	\$398.85	\$380.23	-4.66
62311	Injct spine l/s (cd)	\$307.09	\$295.98	-3.62
64483	Inj foramen epidural l/s	\$307.09	\$295.98	-3.62
64476	Inj paravertebral l/s add-on*	\$212.55	\$102.38	-48.1
64475	Inj paravertebral l/s**	\$307.09	\$288.44	-6.07

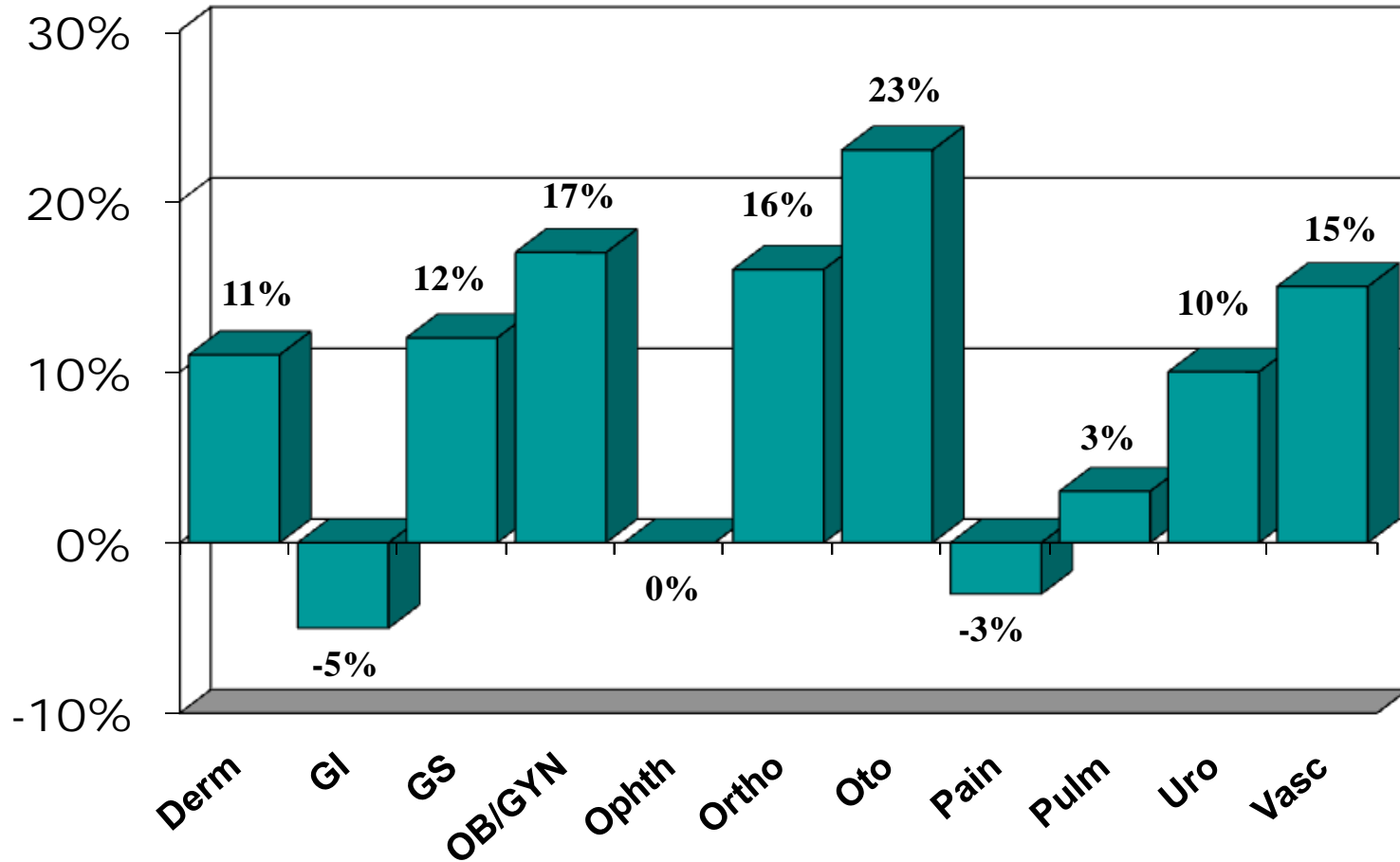
*64476 was replaced by 64494 and 64495; if both done together rate is \$204.76.

**64475 was replaced by 64493. The 2010 rate shown is for 64493

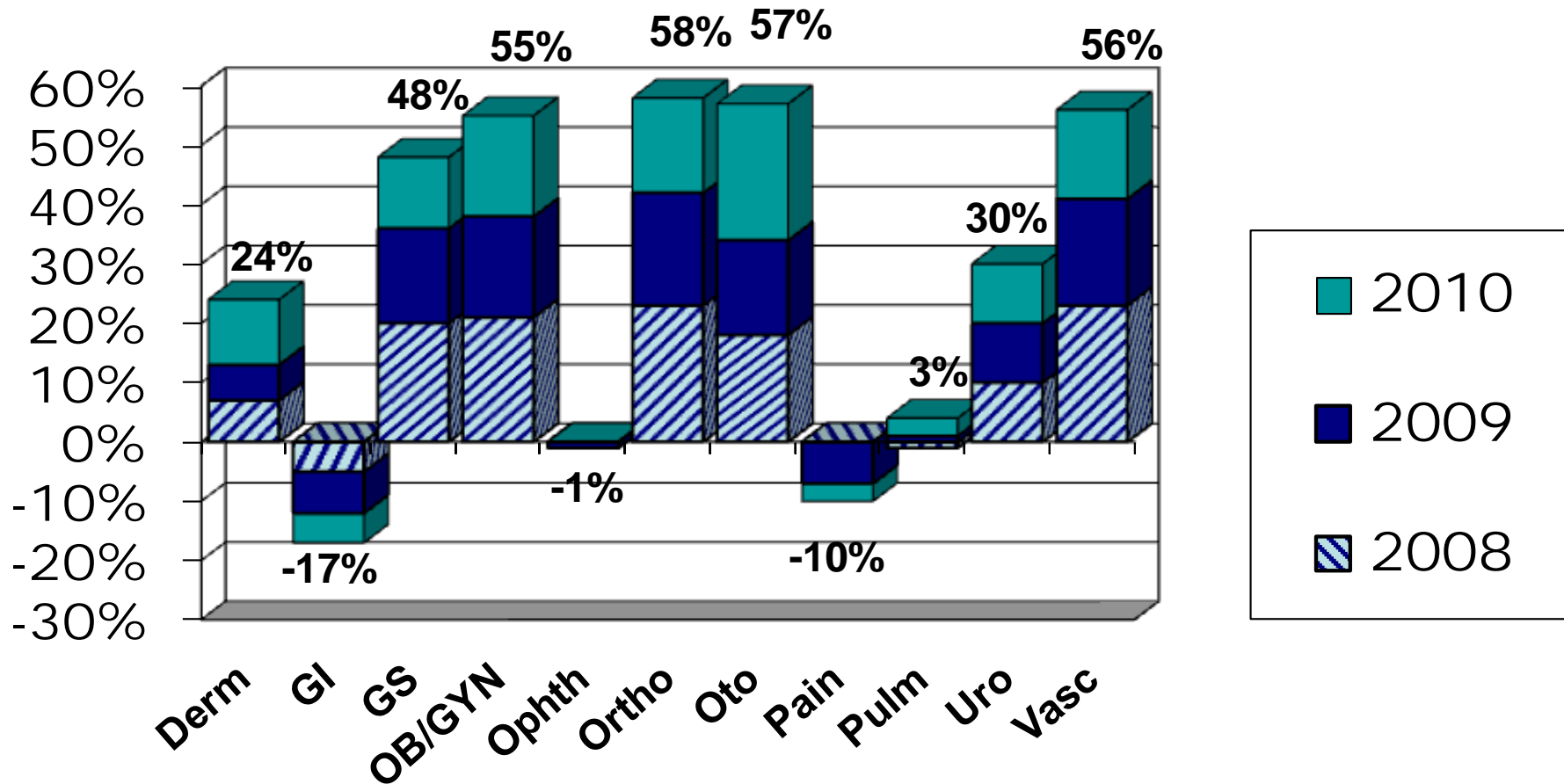
CHANGES IN ASC RATES

	2007	2008	2009	2010
Lowest Payment	\$333.00	\$4.19	\$5.77	\$3.12
Highest Payment	\$1,339.00	\$24,815.65	\$27,024.22	\$26,665.55
# of Payable Procedures	2,571	3,390	3,403	3,482

IMPACT BY SPECIALTY

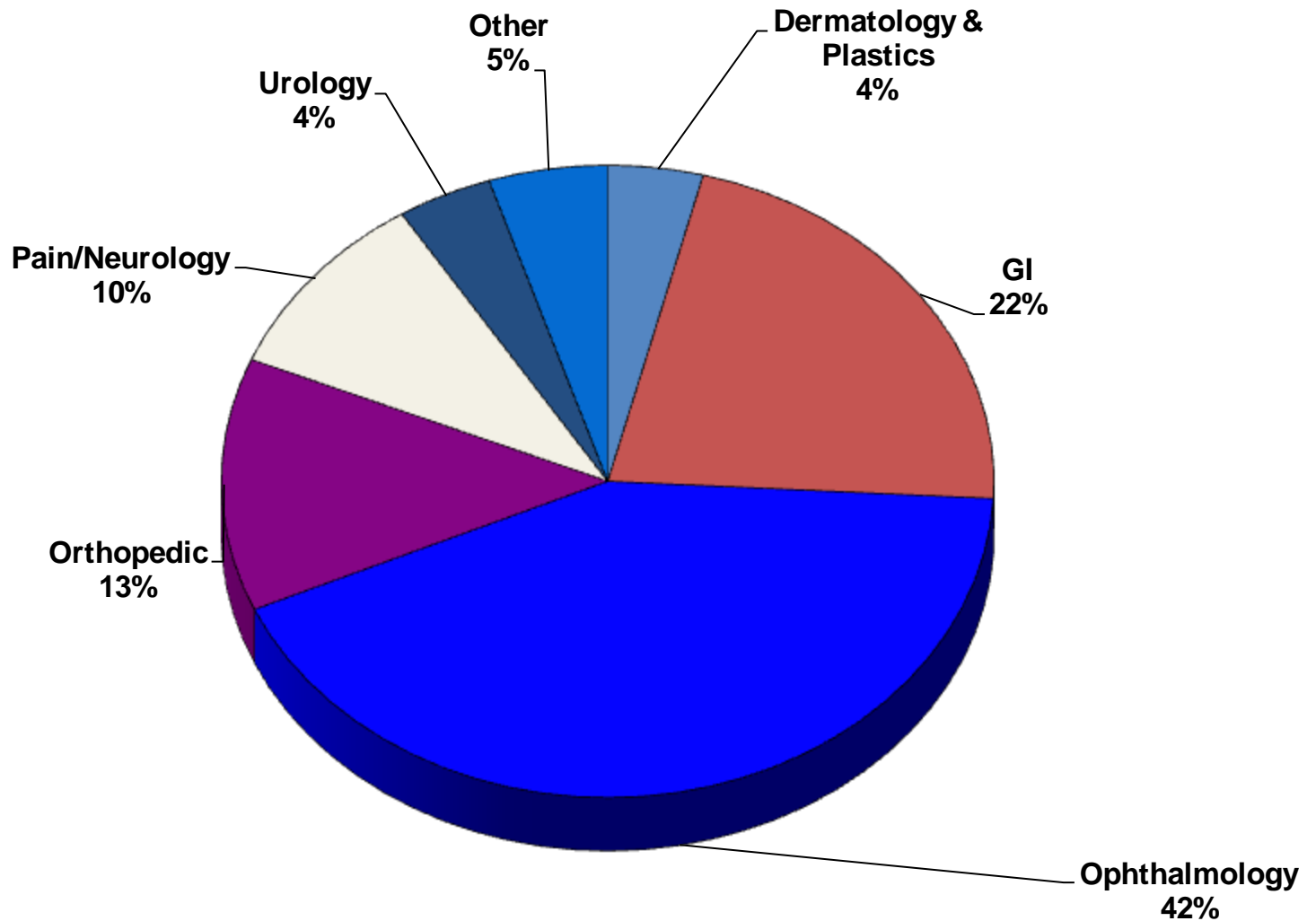


IMPACT BY SPECIALTY



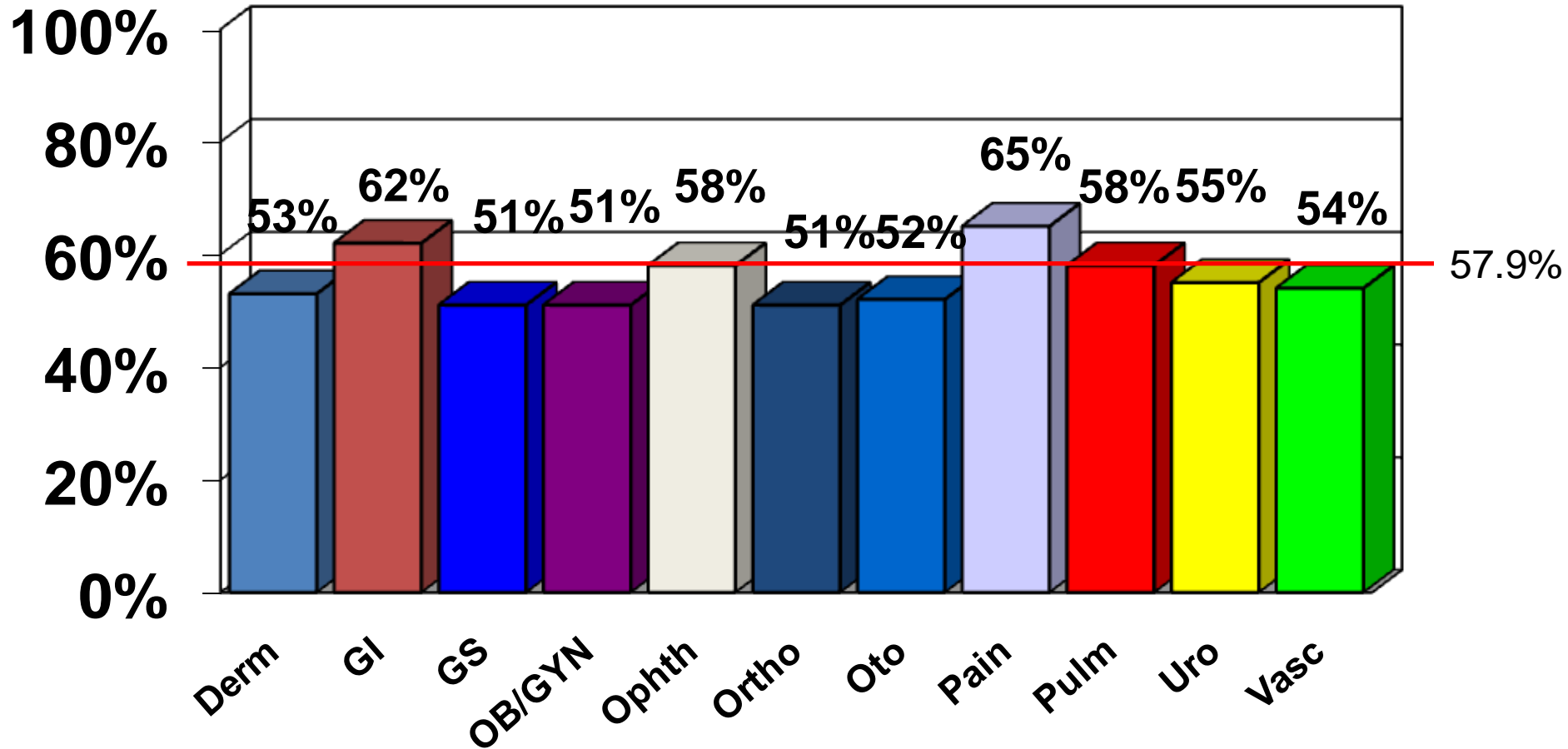
SPECIALTY DISTRIBUTION

% OF TOTAL MEDICARE ASC \$



% of HOPD By Specialty

2010



ASC Association Analysis of 2010 ASC Payment Rates. Based on 2008 volume.

FACTORS AFFECTING 2010 CHANGES



Transition to New System



Secondary Rescaling



Inflation Adjustment



Physician Payment Cuts



Change in the HOPD Relative Weights



Wage Index changes

The rate for a given procedure at a given ASC is a combination of some or all of these factors.

FOUR-YEAR TRANSITION*

YEAR	% Based on 2007 Rate	% Based on Current Year
2008	75%	25%
2009	50%	50%
2010	25%	75%
2011	0%	100%

*Only Applies to Procedures on the ASC List in 2007

RATE-SETTING METHODOLOGY

(established 2008 Final Rule)

RELATIVE WEIGHT

X CONVERSION FACTOR

= \$ PAYMENT RATE

RELATIVE WEIGHTS ANNUAL UPDATE

HOPD Relative Weights 2010



Update Based on Hospital Cost Reports

New HOPD Relative Weights

↓ ASC Secondary Rescaling

New ASC Relative Weights

SECONDARY RESCALING EXAMPLE

Relative Weight = 100

HOPD

$$100 \times \$67.406 = \\ \$6,740.60$$

ASC

If no secondary
rescaling,

$$100 \times \$41.873 = \\ \$4,187.30$$

With rescaling

$$(100 \times .9567) \times \$41.873 = \\ \$4,005.98$$

INFLATION UPDATE

2010

- Annual inflation update = 1.2% CPI-U
- HOPD = 2.1% (Market-basket)

Major Focus of Regulatory/Legislative
Activity

MedPAC, CMS, OMB, HHS, Congress

SPECIAL PAYMENT RULES

**Selected Procedures
or
Situations**

MULTIPLE PROCEDURE DISCOUNTS

- Most procedures 50% discount for procedures beyond the 1st
- The 1st most expensive regardless of order done
- List of those not subject to multiple procedure discounts
- Decrease # on list by 3

OFFICE BASED PROCEDURES

Applies to:

- Performed 50% of the time in MD office
- Not on ASC list in 2007

Payment limited to what CMS pays MDs for practice expense so payment based upon lessor

- Payment calculated usual ASC way
- MD payment practice expense

NOTE: MD paid same fee when provided in ASC/HOPD

DEVICES RECEIVED FREE OR DISCOUNTED

Payment adjusted if use free device

= to 100% of cost of device*

Code with FB modifier

Payment adjusted if use device received at
a discount/partial credit

= to 50% of cost of device*

Code with FC modifier

*CMS-determined cost

NEW TECHNOLOGY IOL

- Still pay an extra \$50
- Currently one class of NTIOL
 - Code Q1003 when use “Reduced spherical aberration” IOL
 - List of what IOL’s qualify
- Received no requests for new ones

OFFICE BASED PROCEDURES

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NOTE: MD paid same fee when provided in ASC/HOPD

OFFICE BASED PROCEDURES

- Applies to 602 procedures in 2010
- 30 > 2009
- 78% based on MD payments
- 32% payment determined usual way (either because it produces lower amount or because no physician practice expense)

DEVICE INTENSIVE

- Affects same procedures as 2009
- 52

PASS-THROUGH DEVICES

- None for 2010
- Expire after 2-3 years
- C1821 and L8690 expired 12/31/08

PACKAGED PROCEDURES

- On list
- Considered a part of another procedure
- No additional payment



ASC LIST CHANGES - SUMMARY

+26 Previously Excluded – same as proposed

+02 New Mid-Year Codes – billable 7/1/09 Addition Finalized

+76 New Codes

-23 Discontinued Codes

-01 Inpatient Only: 38205 [allogenic stem cell transplants]

+80 Net ASC List Increase

26 Previously Excluded

HCPCS Code	2010 National ASC Rate (\$)
0193T	\$802.17
26037	\$682.70
27475	\$1,272.77
27479	\$1,272.77
27720	\$1,821.43
35460	\$2,030.27
35475	\$2,030.27
41512	\$305.24
42225	\$1,721.88
42227	\$1,721.88
43130	\$1,721.88
43752	\$50.85
45541	\$1,289.18

HCPCS Code	2010 National ASC Rate (\$)
49435	\$613.33
49436	\$613.33
49442	\$565.41
50080	\$1,870.00
50081	\$1,870.00
50727	\$802.17
51535	\$1,022.42
57295	\$803.01
60210	\$1,953.17
60212	\$1,953.17
60220	\$1,953.17
60225	\$1,953.17
61770	\$1,493.46

Inpatient Only List Removals

- Removes 8 codes from inpatient only list
- **Not** adding to ASC list

HCPCS Code	CY 2010 Long Descriptor	Final 2010 HOPD Rate
21256	Reconstruction of orbit with osteotomies (extracranial) and with bone grafts (includes obtaining autografts) (eg, micro-ophthalmia)	\$2,897.29
27179	Open treatment of slipped femoral epiphysis; osteoplasty of femoral neck (Heyman type procedure)	\$5,975.68
28805	Amputation, foot; transmetatarsal	\$1,472.41
37215	Transcatheter placement of intravascular stent(s), cervical carotid artery, percutaneous; with distal embolic protection	\$1,311.60
44950	Appendectomy	\$1,832.47
44955	Appendectomy; when done for indicated purpose at time of other major procedure (not as separate procedure) (List separately in addition to code for primary procedure)	\$1,832.47
51060	Transvesical ureterolithotomy	\$2,440.16
63076	Discectomy, anterior, with decompression of spinal cord and/or nerve root(s), including osteophyctomy; cervical, each additional interspace (List separately in addition to code for primary procedure)	\$3,318.10

Ancillary Procedures

- 876 payable services
- decrease of 6 as compared to
October 2009



Resources

from the ASC Association

www.ascassociation.org/medicare2010



2010 Rate Analysis Publication

- By CPT code
- By Specialty
- Compared to the HOPD rates

www.ascassociation.org/store

Medicare Rate Calculator

This calculator shows you your local payment rates for 2010. Simply look up your local wage index from the easy to use chart and type it into the calculator and the calculator does the rest.

Separately Payable Procedures (ASC List)

This document provides the list of procedures payable in an ASC in 2010 and for which there is a separate payment made. The HCPCS code and the proposed 2010 national ASC rate are provided. This list does not include packaged procedures.

Packaged Procedures

This chart lists the procedures that are on the 2010 ASC list, but for which there is no separate payment because payments for these packaged procedures are included in the payments made for other separately payable procedures.

ASC List Additions/Deletions

This list shows the procedures added to and deleted from the list of ASC payable procedures in 2010..

Ancillary Services

This chart provides the list of covered ancillary services for 2010. ASCs may bill for ancillary services when provided in conjunction with covered surgical procedures.

Device Intensive Procedures

This chart lists the procedures classified as device intensive in 2010.

Office Based Procedures

This chart lists the procedures classified as office based in 2010, their 2010 payment rates and whether the rates are based on the hospital outpatient department rates or on the physician's practice expense rates.

Multiple-Procedure Discounting Exempt

This document lists the procedures that are exempt from multiple-procedure discounting in 2010.

Medicare Payment Rule

Download the 2010 final Medicare payment rule

Medicare Payment Rule

Download the 2010 proposed Medicare payment rule