

portion of the payment is attributed to labor-related costs.

Because we propose that payment for G0273 and G0274 no longer include payment for “zevalin,” we also propose to place G0273 into newly created APC 0406 and G0274 into newly created APC 0408. These APCs include procedures that are similar clinically and in terms of resource consumption to G0274 and G0273, respectively.

Please see section VI of this proposed rule for further discussion on payments for drugs, biologicals, and radiopharmaceuticals.

ee. Endoscopy Lower Airway.

APC 0076: Endoscopy Lower Airway.

A presenter to the Panel expressed concern that APC 0076 apparently violates the 2 times rule and requested that we move CPT code 31631

(bronchoscopy with tracheal stent placement) from APC 0076 and into a new APC.

The Panel suggested that a new APC comprised of the four most costly procedures in APC 0076 would result in a more homogenous grouping, and recommended that we move the following CPT codes from APC 0076 and into newly created APC 0415.

HCPSCS	Description
31630	Bronchoscopy dilate/fracture reduction.
31631	Bronchoscopy, dilate w/stent.
31640	Bronchoscopy w/tumor excise.
31641	Bronchoscopy, treat blockage.

We propose to accept the Panel’s recommendation that we move CPT

codes 31630, 31631, 31640, and 31641 from APC 0076 to new APC 0415.

ff. Gastrointestinal Endoscopic Stenting Procedures.

APC 0141: Upper GI Procedures.

APC 0142: Small Intestine Endoscopy.

APC 0143: Lower GI Endoscopy.

APC 0147: Level II Sigmoidoscopy.

A commenter requested that we create a new APC that would be comprised of all the gastrointestinal endoscopic stent codes. The Panel agreed with the commenter’s suggestion because the resource requirements for all gastrointestinal endoscopic stents appear to be similar.

The Panel recommended that we move the following CPT codes from their 2003 APCs to newly created APC 0384 for 2004:

TABLE 4.—HCPSCS CODES TO BE MOVED INTO NEW APC 0646

HCPSCS	Description	2003 APC	2004 APC
43219	Esophagus endoscopy	0141	0384
43256	Upper GI endoscopy w/stent	0141	0384
44370	Small bowel endoscopy w/stent	0142	0384
44379	Small bowel endoscopy w/stent	0142	0384
44383	Small bowel endoscopy	0142	0384
44397	Colonoscopy w/stent	0143	0384
45387	Colonoscopy w/stent	0143	0384
45327	Proctosigmoidoscopy w/stent	0147	0384
45345	Sigmoidoscopy w/stent	0147	0384

We propose to accept the Panel’s recommendation to move the following gastrointestinal endoscopic stent CPT codes into newly created APC 0384: 43219, 43256 (from APC 0141); 44370, 44379, 44383 (from APC 0142); 44397, 45387 (from APC 0143); 45327, and 45345 (from APC 0147).

gg. Capturing the Costs of Devices That Are Packaged Into APCs.

APC 0081: Non-Coronary Angioplasty or Atherectomy.

APC 0083: Coronary Angioplasty and Percutaneous Valvuloplasty.

APC 0104: Transcatheter Placement of Intracoronary Stents.

APC 0222: Implantation of Neurological Device.

APC 0223: Implantation of Pain Management Device.

APC 0227: Implantation of Drug Infusion Device.

APC 0229: Transcatheter Placement of Intravascular Shunts.

Several commenters requested that the status indicators for the above APCs (all of which include high-cost devices) be changed from T (multiple-procedure discount applies) to S (multiple-procedure discount does not apply). Two presenters to the Panel stated that hospitals do not pay less for devices

when they are used in the context of a multiple-procedure claim and suggested that we apply the multiple-procedure reduction to the non-device portion of the claim only. Alternatively, these presenters recommended that we apply the discount policy only when the device cost is below a predetermined proportion of the APC cost. Another presenter to the Panel requested that APCs 0222, 0223, and 0227 be exempt from the multiple procedure discount policy because the cost of the devices used in these procedures makes up more than 50 percent of the APC cost.

We sought the Panel’s input as to whether there are situations in which we should not apply our multiple procedure discount policy. The Panel recommended no changes to the status indicators for any of the device-related APCs discussed because they were concerned that exemptions from the discount policy could result in incentives to use more devices than necessary. However, the Panel asked that we analyze our data to determine if we may be underpaying for devices when the multiple procedure discounting policy is applied and recommended that we develop some methodology to track device costs. In

section V.C of this proposed rule, we discuss the issue of device costs and multiple procedure reductions and our progress to date in developing “combination APCs” to address the Panel’s concern.

hh. Discussion of Ways To Increase the Use of Multiple Claims To Set APC Payment Rates.

A presenter to the Panel suggested that we use dates of service on multiple procedure claims to increase the number of claims we use to set payment rates. Another presenter suggested that we could further increase the number of multiple procedure claims that could be used to set payment rates by ignoring codes with status indicator K. Other suggestions were to exclude from consideration those APCs with small dollar values and to create a new code or APC specifically for the insertion and removal of devices.

The Panel recommended that our staff explore ways to increase the number of claims used to set payment rates, including the following methodologies: sort multiple claims by date of service; exclude codes with K status indicator from evaluation; exclude those APCs with nominal costs (the definition of “nominal” can be determined by