

TABLE 5.—TABLE OF APCs EXEMPTED FROM 2 TIMES RULE—Continued

Proposed rule APC	Description
0341	Skin Tests.
0344	Level III Pathology.
0363	Level I Otorhinolaryngologic Function Tests.
0364	Level I Audiometry.
0367	Level I Pulmonary Test.
0368	Level II Pulmonary Tests.
0370	Allergy Tests.
0373	Neuropsychological Testing.
0385	Urinary Incontinence Procedures.
0397	Vascular Imaging.
0408	Non-thyroid Radionuclide Treatment.
0409	Red Blood Cell Tests.
0600	Low Level Clinic Visits.
0668	Level I Angiography and Venography except Extremity.
0692	Electronic Analysis of Neurostimulator Pulse Generators.
0698	Level II Eye Tests & Treatments.

2. Procedures Moved From New Technology APCs to Clinically Appropriate APCs

In the November 30, 2001 final rule (66 FR 59903), we made final our proposal to change the period of time during which a service may be paid under a new technology APC. The April 7, 2000 final rule initially established the time frame that new technology APCs would be in effect (65 FR 18457). Beginning in 2002, we retain a service within a new technology APC group until we have acquired adequate data that allow us to assign the service to a clinically appropriate APC. This policy allows us to move a service from a new technology APC in less than 2 years if sufficient data are available, and it also allows us to retain a service in a new technology APC for more than 3 years if sufficient data upon which to base a decision for reassignment have not been collected.

In the context of new technology procedures, we create HCPCS codes for services only. We do not create HCPCS codes for equipment that is used in the course of providing an item or service (except in the case of “C” codes for devices that meet the criteria for transitional pass-through payments). Equipment that is used to provide an item or service is not separately coded because it is a resource required to furnish the service. Like other resources that are required to furnish a service (for example, cost of a room, cost of staff, cost of supplies), the hospital should show charges either as part of its charge for the procedure or with a revenue code.

As described in more detail below, we propose to delete four HCPCS codes that are currently paid in new technology APCs. These four HCPCS codes do not conform to our current policy to not

create HCPCS codes for equipment used to provide a service. In addition, there exist, or soon will exist, CPT codes to describe the services being furnished, including any equipment that is needed to perform them, so we believe it is appropriate at this time to delete the HCPCS codes. The HCPCS codes we propose to delete effective January 1, 2004 are:

C1088: Laser Optic Treatment system, Indigo Laseroptic Treatment System, C9701: Stretta System, C9703: Bard Endoscopic Suturing System, and C9711: H.E.L.P. Apheresis System.

These codes were created and assigned to New Technology APCs when it was CMS policy to create a C code to describe an item of equipment for which there was no other means of making payment for the service in which the equipment was used. In the November 30, 2001 final rule, we announced that we would not use New Technology APCs to pay for drugs, devices, and equipment that are used in the performance of a procedure, but which are not in and of themselves a complete service. It is due to an oversight on our part that we did not delete these codes at that time. We stopped using C codes to describe specific devices in April 2001 and no longer create C codes to describe items of equipment. Moreover, we have found that there are existing CPT codes or, in the case of C9701, there will soon be a CPT tracking code, that will accurately report the services being furnished, and under which the hospital should report the charges for providing the services, including charges related to the equipment needed to furnish the service. Therefore, payment will be appropriate regardless of whether there are separate codes for these items of equipment.

HCPCS code C1088, the Laser Optic Treatment System, Indigo Laseroptic Treatment System, now paid under APC 0980 is no longer needed because our review of data shows that the equipment it describes is appropriately reported under CPT codes 52647 and 52648. The procedures described by these CPT codes may be performed by using several types of equipment, one of which is the type described by C1088. In fact, most of the claims containing line items for C1088 are accompanied by line items for 52647 or 52648. This means that hospitals are appropriately reporting these services under the applicable CPT codes and that any charges associated with C1088 are likely duplicate charges for the service provided. Therefore, we propose to delete C1088 and to have hospitals continue to report these services under CPT codes 52647 and 52648, which are in APC 0163.

HCPCS code C9701, the Stretta System, now paid under APC 0980, is used in a procedure that will soon be given a CPT Category Three Tracking Code by the American Medical Association's CPT Editorial Panel. We propose to use the CPT tracking code to report services using the Stretta System and to delete HCPCS code C9701. We propose to assign the new CPT tracking code in APC 1557.

HCPCS code C9703, the Bard Endoscopic Suturing System, now paid under APC 0979, is used in a procedure that has been granted a CPT Category Three Tracking Code, 0008T, which describes the procedure for which this equipment is used. We propose to delete C9703 and to require hospitals to use 0008T to report services using this equipment. We propose to assign CPT code 0008T to APC 1555 for 2004.

HCPCS code C9711, the H.E.L.P. Apheresis System, now paid under APC