

the 2002 OPPS median (\$7,080.00) into which we packaged the cost of brachytherapy seeds. However, for 2003 and 2004, we are making separate payment for brachytherapy seeds (with the exception of prostate brachytherapy) and, therefore, the costs of those seeds is not packaged into the APC payment (except for prostate brachytherapy). The 2003 OPPS unadjusted median was \$265.53, which is comparable to the proposed 2004 OPPS median. Hence, we think the 2003 OPPS median reflects the costs of brachytherapy, with seeds paid separately.

APC 692 Electronic Analysis of Neurostimulator Pulse Generators—The proposed median for this APC falls 84.82 percent in comparison with the 2003 OPPS adjusted median (from \$371.55 to \$56.40). The 2003 OPPS median was adjusted against the 2002 OPPS median (\$819.00), which contained costs for devices that should not have been packaged. Moreover, the 2003 OPPS unadjusted median for the service was \$46.95, and this is comparable to the 2004 OPPS median of \$56.40. Hence, we believe that the proposed 2004 OPPS median reflects the cost of the service.

APC 651 Complex Interstitial Radiation Source Application—The proposed median for this APC falls 81.89 percent in comparison with the 2003 OPPS adjusted median (from \$3,250.63 to \$588.67). The 2003 OPPS median was adjusted against the 2002 OPPS median (\$7,080.00), which contained costs for brachytherapy seeds that are currently paid separately. Moreover, the 2003 OPPS unadjusted median for the service was \$483.25, and this is comparable to the proposed 2004 OPPS median of \$588.67. Hence, we believe that the proposed 2004 OPPS median reflects the cost of the service because brachytherapy seeds are paid separately.

APC 225 Implantation of Neurostimulator Electrodes—The proposed median for this APC fell 60.33 percent (from \$8,277.07 to \$3,283.68) as compared to the adjusted median used for the 2003 OPPS. The 2003 OPPS median was adjusted against the 2002 OPPS median (\$15,286.00), which reflected the manufacturer(s) price(s) for the devices packaged into the APC. However, the proposed 2004 OPPS median (\$3,283.68) is very close to the unadjusted 2003 OPPS median (\$3,561.03), causing us to believe that the 2004 proposed median accurately reflects the costs of the procedure. Because this APC is commonly performed with implantation of a neurostimulator pulse generator (APC 222), we changed the status indicator of

APC 225 to “S” so that it would not be subjected to the multiple procedure reduction when it is performed with implantation of a neurological device. We do not propose to change the status indicator this year, and the multiple procedure reductions would not be applied in CY 2004 to APC 0225.

We determined the proposed 2004 OPPS median for APC 225, using only claims that contained the C codes for the neurostimulator leads (either C1778 Lead, neurostimulator, or C1897 Lead, neurostimulator test kit) in order to ensure that we captured the costs for the leads in the data used to calculate the median. We solicit comments concerning the accuracy of our data and whether they appropriately reflect the cost of neurostimulator electrodes, as well as submission of data on the acquisition cost of neurostimulator electrodes (both permanent and test electrodes).

APC 352 Level 1 Injections—The proposed 2004 OPPS median for this APC fell 51.83 percent (from \$13.10 to \$6.31) as compared to the adjusted 2003 OPPS median. The 2003 OPPS median was adjusted against the 2002 OPPS median (\$23.00). However, the 2003 OPPS median (\$6.65) is very close to the proposed 2004 OPPS median (\$6.31), and this leads us to believe that the proposed 2004 median reflects the cost of the service.

APC 313 Brachytherapy—The proposed median for this APC falls 38.45 percent in comparison with the 2003 OPPS adjusted median (from \$1,249.57 to \$769.14) because the 2003 OPPS median was adjusted against the 2002 OPPS median (\$2,030.00), which contained costs for brachytherapy seeds that should not have been included because the radioelement sources used in this APC are not single use seeds. Moreover, the 2003 OPPS unadjusted median for the service was \$773.63, and this is comparable to the proposed 2004 OPPS median of \$769.14. Hence, we believe that the proposed 2004 OPPS median reflects the cost of the service.

APC 223 Implantation or Revision of Pain Management Catheter—The proposed median for this APC falls 37.40 percent in comparison with the 2003 OPPS adjusted median (from \$2,437.21 to \$1,525.61). The single CPT code in this APC describes three procedures: revision, repositioning, and insertion of a pain management catheter. Therefore, the median cost of this APC should reflect the relative frequencies with which these three procedures are performed. Furthermore, the descriptor makes it inappropriate to use only claims containing “C” codes to determine the median cost for this APC

because a device is not always used when this procedure is performed. To require that a “C” code be on claims for this procedure would result in inaccurate median costs. We believe the decrease in median cost is due to the packaging of 75 percent of the cost of the catheter into the APC amount for the 2002 OPPS fee schedule.

APC 385 Level 1 Prosthetic Urological Procedures—The proposed median for this APC fell 37.16 percent compared to the adjusted median for this APC in 2003 OPPS (\$3895.76 compared to \$6,199.09). This occurred because we removed the more expensive inflatable penile prosthesis and prosthetic urinary sphincters from APC 179 and placed them in a new APC (APC 386 with proposed 2004 OPPS median of \$6,298.89). Hence, we believe that the proposed medians for both APCs reflect the costs of the services that they now contain.

APC 687 Revision/Removal of Neurostimulator Electrodes—The proposed median costs of this APC decreased 23.7 percent as compared to the adjusted median used for the 2003 OPPS fee schedule (\$1,171.45 compared to \$1,535.37). (See Table 8.) However, none of the procedures in this APC require the use of high cost devices, and we believe the change in median cost reflects fluctuation in the costs of providing these services.

APC 359 Level II Injections—See section VI.B.4 of this proposed rule for the discussion of administration of drugs.

APC 81 Non Coronary Angioplasty or Atherectomy—The median for this APC fell 21.02 percent in comparison with the actual median cost used in the 2003 OPPS fee schedule (from \$2,584.47 to \$2,041.29). The median cost used for OPPS 2003 was significantly higher than the median cost used for the 2002 OPPS, which included packaging of 75 percent of the devices used in this APC. We believe the decrease this year, which is still substantially higher than the median used for 2002, reflects the fluctuating costs of providing this service.

APC 222 Implantation of Neurological Device—The proposed median for this APC fell 18.23 percent in comparison with the 2003 OPPS adjusted median (from \$13,528.13 to \$11,528.13). The 2003 OPPS adjusted median was adjusted against the 2002 OPPS median, which packaged 75 percent of the cost (based on manufacturer submitted data) of the devices (\$17,284.00) into the APC. However, the proposed 2004 OPPS median of \$11,061.74 compares favorably with the unadjusted 2003 OPPS median of \$9,146.22. Because we