

methacholine chloride because there is no "J" code to use when billing, thus forcing physicians to use an unlisted service code. The commenters also contended that the aerochamber should not be deleted because, although reusable, it has a life of only about six months and should be costed out accordingly. In addition, the commenters disagreed that the inhaler is separately billable because a multi-use canister is utilized for this test; therefore, the amount used from the canister for each test should be included in the practice expense.

Response: We will delete the oximetry sensory probe, CPAP nasal pillow and flow sensor and albuterol from the list of CPEP supply inputs. We will also delete the aerochamber, because an item that is reusable over a six-month period cannot be classified as a disposable supply. The commenter is correct that there is not a HCPCS "J" code for methacholine chloride. Therefore, we will keep this in the supply database as requested so that physicians can avoid the burden of submitting paper claims. We also will keep the inhalant in the database using the quantity of 1 gram per procedure at \$0.788.

Comment: Specialty societies representing radiologists and interventional radiologists disagreed with the classification of the Arrow mechanical thrombectomy device as reusable. The commenter contended that this device is single-use because the difficulty in cleaning the intra-luminary surface areas could lead to a risk of contamination if the device is reused. Moreover, reprocessing the thrombectomy device may result in fatigue-related failure.

The societies also disagreed with our contention that a Seldinger needle is reusable; rather a Seldinger needle is single-use and should not be removed as a supply item. It is the commenter's understanding that hospitals are not in the practice of resterilizing Seldinger needles.

While generally favoring reorganization of CMS' supply listing for ease of use and not directly opposed to supply categories, one of the commenters was concerned over the potential loss of granularity of cost data associated with the use of supply categories and would oppose the averaging of costs for the supply categories unless it is appropriate to average from a cost and clinical standpoint. A similar comment was sent by the radiology specialty society.

Response: We will retain the thrombectomy device and the Seldinger needle as disposable supplies in our CPEP input database. With regard to the

classification of supplies, the commenter misunderstands the purpose of assigning a classification to each supply. This will not be used for pricing purposes in any way. Rather, the classifications can be useful as a way to sort the long list of supplies in the database to make it easier to find a particular item.

Comment: The contractor responsible for helping us with the repricing of supplies informed us that a supply assigned to the endometrial ablation procedure, CPT code 58353, was listed as a catheter tray when it should be described as a thermal ablation balloon catheter at a price of \$727. In addition, our contractor supplied us with prices for several new supply and equipment items mainly for otolaryngology, that were not priced in the proposed rule but were included in the PEAC recommendations.

Response: We will make the appropriate changes in the CPEP supply and equipment databases.

Comment: Commenters representing pediatricians, pulmonary physicians and family physicians pointed out that the new price we had assigned to the safety syringe and needle did not cover the actual cost of purchasing the entire needle stick device that is required by the Occupational Safety and Health Administration.

Response: Our repricing contractor researched this issue for us and agreed that the price we were proposing was too low for the appropriate item. Based on documentation for a 10 ml Syringe with SafetyGlide Needle, the safety syringe and needle will be priced at \$.435 each, instead of the \$.28 that was proposed.

Comment: A surgical society commenter pointed out that we listed an achalasia balloon in Table 1 in the proposed rule and indicated that it was a supply used with CPT codes 45905 and 45910. The commenter stated that both of these codes were refined in January and that they were not priced in the office setting; therefore the balloon should no longer be listed as a supply used with these services.

Response: Our CPEP database currently has these codes priced only in the facility setting. However, these services had previously been priced in the office and Table 1 was apparently developed before the last of the PEAC recommendations were entered. The achalasia balloon no longer appears on the CPEP supply database.

Comment: We received comments from the American College of Physicians and another medical society representing allergy and immunology with concerns about reductions in

reimbursement for the five venom immunology CPT Codes (95145–95149). The commenters believe the reductions are due, in part, to the use of incorrect supply costs for venom extracts that we priced at \$5.18 per ml. The commenters provided documentation of current prices of five different venoms from two of the largest manufacturers of venom extracts. They proposed a price-averaging methodology utilizing the small and large quantities of venoms that are available from the two suppliers. A price of \$12.22 per milliliter of venom antigen results from using this methodology, and the commenters suggest that this price be used in valuing four of the five CPT Codes for venom immunology, with the exception of CPT Code 95147. When a patient requires three stinging insect venoms, as for CPT 95147, the commenters believe the 3-Vespid mix is typically used. Again, the commenters suggested the same price-averaging method noted above using cost information from the two vendors, which results in a price of \$23.49 per ml. This 3-vespid mix price could also be used to value CPT Codes 95148 (four venoms) and 96149 (five venoms) with the single venom, priced at \$12.22, added once to CPT code 97148 and twice to CPT Code 97149.

Response: We were pleased to receive the comments, as well as the requested documentation, on the price for various venom extracts, because the venom pricing information was not included in the PEAC recommendations forwarded after the September 2002 meeting for these CPT Codes. This lack of data necessitated the use of a generic stinging insect venom price of \$5.18 per ml. We accept the pricing information supplied by these specialty societies, although we do not agree with their proposed averaging of prices from both the small (5ml and 6ml) and larger (10ml and 12ml) quantities of venoms. We believe it is more appropriate to average the venom prices using the larger (10ml and 12ml) quantities because of the volume that is used in an accepted venom immunotherapy program, which consists of a build up period of about four months followed by monthly maintenance therapy. The following prices result from this approach: \$10.70 per ml of venom and \$21.26 for the 3-Vespid Mix. Venom pricing for the five CPT codes would be as follows: CPT Code 95145 (one venom) at \$10.70, CPT Code 95146 (two venoms) at \$21.40, 95147 (three venoms using 3-vespid mix), would be \$21.26; CPT Code 97148 (four venoms), \$21.26 + \$10.70 = \$31.96; and the venom antigen price for