

median cost of procedures classified to APCs, we reviewed all the APCs to determine which of them would not meet the 2 times limit. We use the following criteria when deciding whether to make exceptions to the 2 times rule for affected APCs:

- Resource homogeneity.
- Clinical homogeneity.
- Hospital concentration.
- Frequency of service (volume).

• Opportunity for upcoding and code fragmentation. For a detailed discussion of these criteria, refer to the April 7, 2000 final rule (65 FR 18457).

The following table contains the final list of APCs that we exempt from the 2 times rule based on the criteria cited above. In cases in which a recommendation of the APC Panel appeared to result in or allow a violation of the 2 times rule, we

generally accepted the Panel recommendation because Panel recommendations were based on explicit consideration of resource use, clinical homogeneity, hospital specialization, and the quality of the data used to determine payment rates.

The median cost for hospital outpatient services for these and all other APCs can be found at Web site: <http://www.cms.hhs.gov>.

TABLE 5.—APCS EXEMPTED FROM 2 TIMES RULE

Final Rule APC	Description
0006	Level I Incision & Drainage.
0012	Level I Debridement & Destruction.
0018	Biopsy of Skin/Puncture of Lesion.
0019	Level I Excision/Biopsy.
0020	Level II Excision/Biopsy.
0043	Closed Treatment Fracture Finger/Toe/Trunk.
0046	Open/Percutaneous Treatment Fracture or Dislocation.
0058	Level I Strapping and Cast Application.
0060	Manipulation Therapy.
0071	Level I Endoscopy Upper Airway.
0074	Level IV Endoscopy Upper Airway.
0084	Level I Electrophysiologic Evaluation.
0093	Vascular Reconstruction/Fistula Repair without Device.
0097	Cardiac and Ambulatory Blood Pressure Monitoring.
0099	Electrocardiograms.
0103	Miscellaneous Vascular Procedures.
0105	Revision/Removal of Pacemakers, AICD, or Vascular.
0109	Removal of Implanted Devices.
0130	Level I Laparoscopy.
0147	Level II Sigmoidoscopy.
0148	Level I Anal/Rectal Procedure.
0155	Level II Anal/Rectal Procedure.
0165	Level III Urinary and Anal Procedures.
0192	Level IV Female Reproductive Proc.
0203	Level IV Nerve Injections.
0204	Level I Nerve Injections.
0207	Level III Nerve Injections.
0213	Extended EEG Studies and Sleep Studies, Level I.
0214	Electroencephalogram.
0218	Level II Nerve and Muscle Tests.
0231	Level III Eye Tests & Treatments.
0233	Level II Anterior Segment Eye Procedures.
0235	Level I Posterior Segment Eye Procedures.
0239	Level II Repair and Plastic Eye Procedures.
0245	Level I Cataract Procedures without IOL Insert.
0252	Level II ENT Procedures.
0262	Plain Film of Teeth.
0266	Level II Diagnostic Ultrasound Except Vascular.
0274	Myelography.
0279	Level II Angiography and Venography except Extremity.
0297	Level II Therapeutic Radiologic Procedures.
0303	Treatment Device Construction.
0314	Hyperthermic Therapies.
0323	Extended Individual Psychotherapy.
0340	Minor Ancillary Procedures.
0341	Skin Tests.
0344	Level III Pathology.
0355	Level III Immunizations.
0356	Level IV Immunizations.
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.
0397	Vascular Imaging.
0398	Level I Cardiac Imaging.
0402	Brain Imaging.
0404	Renal and Genitourinary Studies Level I.