

hospitals to include charges for all services they furnish on the claim so that we can better ensure that the relative weights are based on the most accurate data possible.

*Low Dose Rate Brachytherapy (APCs 312 and 651)*

*Comment:* We received several comments regarding payment for low dose, non-prostate brachytherapy (APCs 312 and 651). Commenters cited the proposed reduction in payment for APC 0312 and expressed concern that our methodology that excludes a number of multiple procedure bills results in our use of data from atypical encounters such as those in small centers with minimal technological complexity and inappropriate costs and charges. Commenters indicated that typically other services would be furnished on the same day and that the presence of these services on the claim would likely result in the claim not being used. Commenters indicated that the resources used for the services in these APCs are highly variable depending on the part of the body being treated and the nature of the equipment involved. They indicated that some hospitals ceased billing charges for all of the services furnished when OPPS was implemented because showing the charges on the claim would no longer result in more payment but showing all charges on the claim was costly, burdensome, and slowed billing. Commenters indicated that we should educate providers in the correct way to bill for the catheters, needles, and sources used for this service and that in the absence of acceptable median costs, we should adjust the medians to result in reasonable payments for the service. Commenters indicated that we should select only claims that contain device costs and ignore claims that do not contain such costs, setting the median cost on the subset of selected claims.

*Response:* We used the medians from our final data to set the relative weights on which the payments will be based for 2004. We were not convinced by comments that the data did not reflect a median cost that was appropriate relative to the costs of other OPPS services. We recognize that our methodology excludes a large number of claims because there were multiple procedures on the claim and as we indicated in the discussion of multiple procedure claims, we are continuing to work on ways to use more claims data. We will closely examine expanding the list of CPT and HCPCS codes that could be ignored to create pseudo single claims for use in calculating median costs to set relative weights. For future

years, we will consider whether to impose criteria for correctly coded claims, such as requiring that the claims contain either any C code or specified C codes for brachytherapy sources and needles or catheters that are necessary to insert the sources. We were not able to do this for the 2004 OPPS. For the 2005 OPPS, we will use the claims data from 2003, for which there is no coding of brachytherapy needles or catheters, although there is coding of sources that can be used to select correctly coded claims.

As we previously indicated, for the 2004 OPPS, we will pay for prostate brachytherapy using the CPT codes and the HCPCS codes for brachytherapy sources used. We expect that the majority of the CPT codes billed will be 77778 (APC 0651) and 55859 (APC 0163) and that the HCPCS codes billed will be C1718 (brachytherapy source, iodine 125) or C1720 (brachy source, palladium 103). When we calculate the total median cost on which the payment to the hospital for the services involved in prostate brachytherapy will be based, we determine that paying under APC 0651 and APC 0163 with separate payment for the sources (APC 1718 or APC 1720) will result in more payment than would be the case under the packaged payment we proposed. For example, if we assume that 100 sources are implanted during a prostate brachytherapy procedure, we would expect the hospital to bill 77778, 55859, and 100 units of either C1718 or C1720. The sum of the applicable medians will be \$6,486.54 if using iodine sources and \$7,261.54 if using palladium sources. This is a considerable increase over the payments in 2003, which were \$5,154.34 with iodine sources and \$5,998.24 with palladium sources. We believe that this circumstance will be the predominant use of APC 0651 and that the total median for the service will result in appropriate relative weights on which to set the payments.

APC 0312 was billed just over 850 times for the 9 months of data used in the final rule. Of the five CPT codes in this APC, four have median costs for the CPT code of less than \$400 and one code, 77776, Interstitial radiation source application, simple has a median of \$2,218.18. However, that code does not meet the test of being significant, which we define as having a frequency greater than 1,000 or a frequency lower than 99 and a percentage of larger than or equal to 2 percent. Therefore, we have not moved it from the APC.

*Separate Payment for All Brachytherapy Sources*

*Comment:* Commenters indicated that we should provide separate payment for all brachytherapy sources but that the current payment structure and amounts are inadequate. Commenters indicated that we should create two new permanent separate brachytherapy source APCs for high activity iodine 125 and high activity palladium 103 sources that should be paid on a per source, per patient basis in addition to the procedure code. Commenters indicated that the proposed rates for iodine 125 and palladium 103 sources do not capture the costs of loose low dose seeds, much less the costs of high activity sources, which typically cost in excess of \$150 per source.

*Response:* For 2004, we will pay separately for implantable brachytherapy sources based on the median costs from our claims data. We were not convinced by comments that the relative weights that will result from these median costs are inappropriate.

*Prostate Brachytherapy*

*Comment:* Commenters indicated that the creation of the new G codes (G0256 and G0261) for prostate brachytherapy imposes an unneeded burden on hospitals and that it conflict with the reporting of the service by other payers. Additionally, commenters stated that the use of the codes will preclude us from capturing the costs of the service in the future. The commenters encouraged us to eliminate the G codes and pay using the CPT codes for the procedures and the HCPCS codes for the sources on a per source, per case basis. They indicated that this would allow us to capture the true costs of the procedures to set rates in the future and that this approach is consistent with the APC Panel recommendation to us. A commenter requested that we eliminate APC 0649 (Prostate Brachytherapy Palladium Seeds) and APC 0684 (Prostate Brachytherapy Iodine Seeds) and reinstate the previous policy that allowed hospitals to bill the prostate brachytherapy procedures with two separate APCs; one for urology CPT code 55859 and one for the radiation oncology CPT code 77778. The commenter stated that this elimination would be consistent with our decision to pay for the sources on an individual basis. The commenter believed that creation of the G codes has caused unnecessary confusion for hospitals. The procedure is now described with a single G code; however, only one revenue center can be selected, causing confusion since these APCs have both a