Final HOPPS and MPFS Rules/CMS Coding Changes

On January 28, 2008, SNM sent comments to the Centers for Medicare & Medicaid Services (CMS) regarding the Hospital Outpatient Prospective Payment System (HOPPS) and the Medicare Physician Fee Schedule (MPFS) final rules for calendar year (CY) 2008.

The SNM comments to CMS regarding the 2008 HOPPS final rule address many areas. The most important topic concerns the bundling of diagnostic radiopharmaceuticals. SNM conducted a radiopharmaceutical acquisition cost survey, which showed a wide disparity, consistent with "charge compression" of higher-cost diagnostic and therapeutic radiopharmaceuticals when compared with the CMS claims data. We remain concerned about the potential negative impact that bundling without accurate cost data may have on the development of new biological radiopharmaceuticals. SNM requested that CMS utilize average sales price data when they are provided by manufacturers and continue to work with SNM and other stakeholders to facilitate prospective payment for radiopharmaceuticals based on such data. In addition, the SNM comments touched on other issues, such as: the new methodology for rate setting for nuclear medicine procedures in CY 2008, the addition of Current Procedural Terminology (CPT) code 93017 to the bypass list, the new 2008 Outpatient Code Editor edits requiring hospitals to bill radiopharmaceuticals, and the redistribution of CPT codes 38792 and 78075 to more suitable Ambulatory Payment Classification categories.

The SNM comments to CMS regarding the 2008 MPFS final rule address many critical issues, including: CMS's decision to make no changes in the equipment utilization and interest rate in the practice expense methodology, CMS policy regarding PET Relative Value Units, Physician Quality Reporting Initiatives, and a request that 4 nonimaging CPT codes (78135, 78140, 78190, and 78020) be removed from the Deficit Reduction Act imaging list.

SNM staff prepare charts and spreadsheets that evaluate the impact of the final HOPPS rule for nuclear medicine procedures and products. The final 2008 charts, spreadsheets, and comments are available on the SNM Coding Corner (http://interactive.snm.org/index.cfm?PageID=4816&RPID=10).

Hugh Cannon

In other news, CMS released Transmittal R1418CP, CR 5805 in January, notifying PET facilities and Medicare administrator contractors that the discontinued QA, QR, and QV Healthcare Common Procedure Coding System (HCPCS) modifiers have been replaced by the new 2008 modifiers Q0 (zero) and Q1 to identify investigational and routine clinical services provided in a clinical research study approved by Medicare. These 2 new modifiers are included in the 2008 Annual HCPCS Level II Update. The CR 5805 instructions are to be implemented by the Medicare contractors no later than April 7, 2008.

The current modifier QR used in the National Oncology PET Registry is replaced with Q0 (zero), effective for dates of service beginning on January 1, 2008. QA also is replaced by Q0, and QV is replaced by Q1. Although CMS has given contractors through April 7, 2008, to implement these changes, we expect some contractors to be ready sooner. Readers are advised to check their local contracts for the date on which systems will be ready and to prepare chargemasters for these new modifiers.

Hugh Cannon
SNM Director, Health Policy and Regulatory Affairs