

Hospitals, Physicians Alerted to APC Changes in Medicare Reimbursement

The Society of Nuclear Medicine (SNM), working with the American Society of Nuclear Cardiology (ASNC), is directing an effort to make sure that physicians and hospital administrators are well informed about the Medicare Hospital Outpatient Prospective Payment System (HOPPS). Beginning in July 2000, nuclear medicine procedures described by CPT codes will be bundled into 9 Ambulatory Payment Classification groupings (APC).

A recent letter from the SNM and ASNC outlines preparations for and possible consequences of this change, with which every hospital and outpatient facility should be familiar. The Society plans to e-mail an alert to its entire membership and all nuclear medicine/radiology departments in the United States via the new APC Web page, which now is up and running at nmapc@snm.org. The letter will be placed in several nuclear medicine publications, and DuPont, Mallinckrodt, and Nycomed Amersham have agreed to print up and distribute the letter with product shipments to hospital-based customers and through their sales forces. Copies of the letter are also available to other companies and organizations to distribute as they see fit and can be obtained through the Web site.



SOCIETY OF NUCLEAR MEDICINE

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-ALERT-

APCs START JULY 1. IS YOUR HOSPITAL READY?

The new Medicare payment system for hospital outpatients will start on July 1, 2000.

Known by several acronyms, the Hospital Outpatient Prospective Payment System (HOPPS) will bundle all nuclear medicine procedures described by CPT codes into nine Ambulatory Payment Classification groupings (APC).

Payment for each APC will be based on an average of the national costs for all procedures in the APC category into which any particular diagnostic or therapeutic procedure (CPT code) has been placed. Congress recently made provisions for payment of radiopharmaceuticals separate from the APCs, at least for the next two years.

You and your hospital must start planning now if you want to be reimbursed appropriately in July. You must code and bill for each and every radiopharmaceutical that you use, and for each and every procedure. As you know, there are a limited number of HCPCS codes (so-called "A" and "J" codes) for nuclear medicine drugs. We are actively obtaining new codes for all radiopharmaceuticals. If your hospital does not use them and does not bill separately starting in July, two things will happen:

- Your hospital will NOT get paid for the radiopharmaceuticals you use for outpatient Medicare patients
- The actual data used to determine costs for radiopharmaceuticals will be lost. If radiopharmaceutical costs are rolled back into the APCs, the true cost will not be reflected in the HCFA databases.

The Nuclear Medicine Ambulatory Patient Classification Task Force has worked for more than three years with HCFA, and will continue to in the future. Getting the costs of radiopharmaceuticals carved out of APCs only occurred because of a concerted and sustained effort.

We are very concerned that your hospitals will not be prepared to bill properly for the work that you are performing or the cost of the radiopharmaceuticals you purchase. As a result, HCFA will underestimate the resources that are needed for clinical nuclear medicine, and this would be disastrous. Please discuss this with your hospital administration and forward this letter to anyone you feel would benefit from this knowledge, including the finance department, the chief executive officer, chief operating officer, and your billing consultants/distributors.

This is only the first of a series of communications about APCs in nuclear medicine from us. We are committed to providing you with specific information as it becomes available. Follow the APC links at the Society of Nuclear Medicine (SNM) web site, <http://www.snm.org>, or the American Society of Nuclear Cardiology (ASNC), <http://www.asnc.org>, for further information, including a summary of the details when they are published by HCFA in March. There will also be a special session on APCs at the SNM Annual Meeting on Sunday, June 4, in St. Louis, Missouri.

You and your hospital may have many questions. Don't hesitate to contact us. Our email address is nmapc@snm.org.

This is the first of a series of bulletins about APCs from the Nuclear Medicine APC Task Force.