



CMS Issues HOPPS Final Rule

On November 1, the Centers for Medicare & Medicaid Services (CMS) issued their final rule for Medicare payment for hospital outpatient services in calendar year (CY) 2007. The final rule affects hospital outpatient payment services paid under the outpatient prospective payment system (HOPPS).

Important finalized policies for nuclear medicine and nuclear cardiology include:

- Radiopharmaceuticals will continue to be paid at charges adjusted to cost using hospital-specific cost-to-charge ratios. Drugs and biologicals will be paid at 106% of the average sales price (ASP+6), rather than the proposed rate of 105% of ASP.
- CMS finalized its proposed policy to pay separately for drugs, biologicals, and radiopharmaceuticals costing \$55 or more per day, which is consistent with the previous \$50 threshold, updated for inflation. Payments for other drugs will continue to be bundled into payments for their associated procedures.
- While most nuclear medicine procedures remain relatively stable with modest increases in payment rates for 2007, PET procedures billed under HOPPS will experience significant decreases. These decreases will extend into the physician fee schedule (PFS) due to Deficit Reduction Act Section 5102, which states that CMS must cap the “technical” component of payments (as distinguished from the “professional”—or interpretation—component) for imaging services that are performed in a doctor’s office at the rates paid to hospital outpatient departments.

CMS is revising the Ambulatory Payment Classification (APC) payment and coding structure for drug administration services, allowing hospitals to report the same CPT codes for drug administration that are currently used by

physician offices and by many other payors and to be paid separately for additional hours of infusion in addition to their payment for the initial hour of infusion. As a result, hospitals will be paid more accurately for complex and lengthy drug administration services, while also receiving more appropriate payments for individual services when provided alone.

For additional information and details of the changes within the final rule, see <http://interactive.snm.org/index.cfm?PageID=5650>. For an analysis of the CY 2007 physicians fee schedule and other coding issues, please visit www.snm.org/codingcorner.



Hugh Cannon
SNM Director of Health
Policy and Regulatory
Affairs

NRC/NARM Rulemaking Update

On October 24, the U.S. Nuclear Regulatory Commission (NRC) Advisory Committee on the Medical Uses of Isotopes (ACMUI) met to discuss, among other topics of interest, the status of the proposed rulemaking on naturally occurring and accelerator-produced radioactive material (NARM). Several of the public comments that have been filed express views similar to those stated in the SNM, ACR, and ASNC joint letter (<http://interactive.snm.org/index.cfm?PageID=5504>) on this issue, including support for category exemptions from decommissioning assurance requirements, further clarification of the applicability of new fee category 3.S for onsite producers of NARM, an enhanced transition plan, and specified derived air concentrations for ^{13}N and ^{15}O .

After reviewing the 38 public comment letters received thus far, the NRC staff will preview the final NARM rule to state regulatory agencies and ACMUI members in late November or early December and publicly release the final rule in January. ✧