

CMS Issues 2011 Proposed Inpatient Rule

CRM Reimbursement Update

GuidePoint

Simplifying Reimbursement

Cardiac Rhythm Management
and Electrophysiology

On April 19, 2010, the Centers for Medicare and Medicaid Services (CMS) released the proposed rates for the FY2011 Hospital Inpatient Prospective Payment System (IPPS).

IPPS Highlights

- The weighted average financial impact to Cardiac Rhythm Management (CRM) and select Electrophysiology (EP) MS-DRGs should be up for 2011:
 - ICD and CRT-D system implant weighted average base payment rates proposed to **increase** by 1.6%
 - Pacemaker and CRT-P system implant weighted average base payment rates proposed to **increase** by 2.5%
 - ICD and CRT-D system replacement weighted average base payment rates proposed to **increase** by 4.1%
 - Pacemaker and CRT-P system replacement weighted average base payment rates proposed to **increase** by 7.13%
 - EP/Ablation weighted average base payment rates proposed to **increase** by 7.4%
- CMS continues to make minor adjustments for a long-term charge compression fix which could result in additional increases in payment rates for CRM procedures; however, these changes would not take effect until 2013.
- There will be a 60 day comment period following the publication of the proposed rule.

Proposed Base Payment Changes for ICD System Implant and Pacemaker Implant MS-DRGs Up Year over Year

The table below shows the proposed FY11 MS-DRG payment rates for ICD and Pacemaker system implants compared to FY10 MS-DRG rates. The proposed rates and percent changes shown are base payments. Final rates may vary for individual hospitals due to geographic wage differences.

FY 2011 MS DRG*	Procedure	FY 2011 Proposed Rate	% Change (FY 2010-FY 2011)
ICD & CRT-D System Implants			
222	Cardiac defib implant w cardiac cath w AMI/HF/shock w MCC***	\$48,002	0.09%
223	Cardiac defib implant w cardiac cath w AMI/HF/shock w/o MCC	\$36,239	3.01%
224	Cardiac defib implant w cardiac cath w/o AMI/HF/shock w MCC	\$42,618	-0.12%
225	Cardiac defib implant w cardiac cath w/o AMI/HF/shock w/o MCC	\$33,976	3.05%
226	Cardiac defibrillator implant w/o cardiac cath w MCC	\$36,417	-1.59%
227	Cardiac defibrillator implant w/o cardiac cath w/o MCC	\$29,308	2.62%
Weighted Average ** ICD & CRT-D Percent change (FY10-FY11)		\$32,961	1.6%

FY 2011 MS DRG	Procedure	FY 2011 Proposed Rate	% Change (FY 2010-FY 2011)
ICD Replacements			
245	AICD generator procedures	\$23,926	4.41%
265	ICD lead procedures	\$13,007	2.68%
Weighted Average ICD Replacements Percent change (FY10-FY11)		\$20,634	4.1%

FY 2011 MS DRG	Procedure	FY 2011 Proposed Rate	% Change (FY 2010-FY 2011)
Pacemaker System Implants			
242	Permanent cardiac pacemaker implant w MCC	\$20,923	3.16%
243	Permanent cardiac pacemaker implant w CC	\$14,894	2.36%
244	Permanent cardiac pacemaker implant w/o CC/MCC	\$11,483	2.13%
Weighted Average Pacemaker Percent Change (FY10 - FY11)		\$14,460	2.5%

FY 2011 MS DRG	Procedure	FY 2011 Proposed Rate	% Change (FY 2010-FY 2011)
Pacemaker Revisions and PG Replacements			
258	Cardiac pacemaker device replacement w MCC	\$16,092	1.63%
259	Cardiac pacemaker device replacement w/o MCC	\$10,303	6.02%
260	Cardiac pacemaker revision except device replacement w MCC	\$19,976	7.22%
261	Cardiac pacemaker revision except device replacement w CC	\$9,257	11.57%
262	Cardiac pacemaker revision except device replacement w/o CC/MCC	\$6,325	7.46%
Weighted Average Pacemaker Rev or Repl. Percent Change (FY10 - FY11)		\$10,865	7.3%

FY 2011 MS DRG	Procedure	FY 2011 Proposed Rate	% Change (FY 2010-FY 2011)
Electrophysiology Procedures			
250	Perc cardiovasc proc w/o coronary artery stent or AMI w MCC	\$16,168	3.83%
251	Perc cardiovasc proc w/o coronary artery stent or AMI w/o MCC	\$10,112	8.7%
Weighted Average Electrophysiology Procedures Percent Change (FY10-FY11)		\$11,163	7.4%

* Medicare Severity Diagnosis Related Group
** Weighted Average based on projected volume distribution in MS DRGs
*** Major Complications and Comorbidities

Additional Information

- [Read Medicare's press release](#)
 - Read the full [2011 Proposed IPPS Final Rule](#)¹
 - For questions related to the reimbursement of CRM products, call 1-800-CARDIAC (1-800-227-3422) and ask for the reimbursement call center.
1. Centers for Medicare and Medicaid Services. Medicare Program; Proposed Changes to the Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Proposed Fiscal Year 2011 Rates. April 19, 2010. Accessed April 19, 2010. Available at: http://www.federalregister.gov/OFRUpload/OFRData/2010-09163_PI.pdf

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