

## Summary of LDCT Lung Cancer Screening Reimbursement Provisions in CY 2017 HOPPS Final Rule

On Tuesday, November 1<sup>st</sup>, the Centers for Medicare and Medicaid Services (CMS) issued the Calendar Year (CY) 2017 Hospital Outpatient Prospective Payment System (HOPPS) final rule which included provisions related to the severe reductions in reimbursement for lung cancer screening G codes. If implemented as outlined in the 2017 HOPPS *proposed rule*, Codes G0296, low-dose CT lung cancer screening shared decision making session, and G0297 low-dose CT (LDCT) lung cancer screening, were set to be reduced by 64 and 44 percent, respectively, in comparison to 2016 *payment rates*.

The policies outlined in the CY 2017 HOPPS final rule are largely mixed. With respect to G0296 (shared decision making visit), CMS acknowledges that the final geometric mean cost for that particular service is \$130.44 but only following a review of 21 single claims. As a result, CMS ultimately elected to place the shared decision making G code into ambulatory payment classification (APC) 5822 (Level 2 Health and Behavior Services). In 2016, G0296 was also placed into APC 5822 with a corresponding payment rate of \$69.65. Per the CY 2017 HOPPS proposed rule, the Agency initially outlined a proposal to move G0297 to APC 5821 and reimburse the procedure at \$25.09, which translated into a 64% cut. CMS decided in the CY 2017 HOPPS final rule, however, that G0296 will continue to be placed in APC 5822 but will now receive a corresponding payment rate of \$70.23. While only a slight increase (58 cents) in comparison to 2016 reimbursement rates, the final payment level for G0296 is considerably higher than what was initially presented in the CY 2017 HOPPS proposed rule. In addition, the Agency indicated that it will reevaluate the reimbursement rates for the shared decision making G code in 2018. This could be viewed as a potential opening for CMS to either increase or further decrease reimbursement for this service in the future.

With respect to G0297 (LDCT screen), CMS indicated in the text of the final rule that it placed the service into a new APC, specifically APC 5521, with a slightly higher corresponding payment rate of \$65.16. Addendums A and B of the CY 2017 HOPPS final rule, however, reveal that APC 5521 has a corresponding payment rate of \$59.84. ACR believes that the reimbursement rate outlined in Addendums A and B are the correct APC reimbursement rate for APC 5521. In the CY 2017 HOPPS *proposed rule*, CMS attempted to place G0297 into APC 5570 with a corresponding payment rate of \$63.33.

Although reimbursement outlined in the final rule for 2017 is slightly higher in comparison to the proposed rule, CMS refused to retain the current 2016 APC payment rate of \$112.49 and instead G0297 will be reimbursed at \$59.84 in 2017. Unlike the shared decision making code, CMS *did not* indicate that it will reevaluate reimbursement rates for G0297 in 2018. Also, while the Agency acknowledged in the final rule text that they considered clinical similarity when reviewing G0296 when making the ultimate decision to keep this code's payment rate stable, CMS did not apply this same principle with respect to G0297. Separate comments filed by the American College of Radiology regarding the need to place G0297 in the next higher level imaging without contrast APC series (APC 5522) due to inadequate, low volume data and clinical similarity were rejected by CMS. Grouping procedures according to clinical similarity has been an important statutorily mandated pillar of the HOPPS.

