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## Cardiac Rhythm Management Reimbursement Update

Last updated: August 2008

On July 31, 2008, the Centers for Medicare and Medicaid Services (CMS) released the final update to the fiscal year 2009 (FY 2009) Inpatient Prospective Payment System (IPPS). Changes affecting Cardiac Rhythm Management (CRM) and Electrophysiology (EP) therapies are detailed below. The changes go into effect October 1, 2008.

### IPPS Highlights

- In the final rule [page 263–264 of CMS–1390-F, FY 2009 Final IPPS rule,] CMS acknowledged the data presented by Boston Scientific and accepted our recommendations to separate ICD pulse generator replacement from ICD lead replacements. The final outcome is a payment increase of 31% for ICD pulse generator replacements, which Boston Scientific believes reflects a more appropriate payment rate for replacement devices.
- CMS has confirmed it will implement a long-term charge compression fix by creating a new cost center for implantable medical devices. Once the new cost center is implemented by FY 2012, payment rates for CRM procedures are expected to increase substantially. This long-term fix to charge compression is reassurance that the economics of CRM devices continue to support access by patients who will benefit from this life-saving therapy. Boston Scientific will continue to work with policy makers to support fair and equitable payment rates for CRM therapies.
- The weighted average financial impact to Cardiac Rhythm Management (CRM) and select Electrophysiology (EP) DRGs should be neutral to positive:
  - Final payment rates for ICD and CRT-D system implants will increase by a weighted average of 3%.
  - Final payment rates for pacemaker and CRT-P system implants will increase by a weighted average of 3%.
  - Final payment rates for most cardiac ablation cases will decrease by a weighted average of 0.5%.

## Base Payment Changes for ICD System Implants and Pacemaker Implants

The table below shows the final FY 2009 DRG rates for ICD and pacemaker system implants compared to FY 2008 DRG rates:

FY 2009 MS DRG	Procedure	FY 2009 Final Rate	FY 2008 Rate	% Change (FY 2008–FY 2009)
<b>ICD &amp; CRT-D System Implants</b>				
222	Cardiac defib implant w cardiac cath w AMI/HF/shock w MCC	\$47,976	\$43,461	10.4%
223	Cardiac defib implant w cardiac cath w AMI/HF/shock w/o MCC	\$34,881	\$37,272	-6.4%
224	Cardiac defib implant w cardiac cath w/o AMI/HF/shock w MCC	\$44,122	\$39,639	11.3%
225	Cardiac defib implant w cardiac cath w/o AMI/HF/shock w/o MCC	\$32,740	\$34,102	-4.0%
226	Cardiac defibrillator implant w/o cardiac cath w MCC	\$37,240	\$32,025	16.3%
227	Cardiac defibrillator implant w/o cardiac cath w/o MCC	\$27,721	\$27,306	1.5%
Weighted Average ICD & CRT-D Percent change (FY 2008 – FY 2009)		\$31,071	\$30,197	2.9%
<b>ICD Replacements</b>				
245	AICD generator procedures	\$22,106	\$16,831	31.3%
New DRG 265	ICD lead procedures	\$12,259	\$16,831	-27.2%
Weighted Average ICD Replacements Percent change (FY 2008 – FY 2009)		\$18,838	\$16,831	11.9%
<b>Pacemaker system implants</b>				
242	Permanent cardiac pacemaker implant w MCC	\$20,546	\$17,651	16.4%
243	Permanent cardiac pacemaker implant w CC	\$14,363	\$13,803	4.1%
244	Permanent cardiac pacemaker implant w/o CC/MCC	\$11,130	\$11,574	-3.8%
Weighted Average Pacemaker Percent Change (FY 2008 – FY 2009)		\$13,551	\$13,181	2.8%
<b>Pacemaker Revisions and PG Replacements</b>				
258	Cardiac pacemaker device replacement w MCC	\$15,716	\$12,418	26.5%
259	Cardiac pacemaker device replacement w/o MCC	\$9,376	\$8,966	4.6%
260	Cardiac pacemaker revision except device replacement w MCC	\$18,921	\$11,714	61.5%
261	Cardiac pacemaker revision except device replacement w CC	\$7,979	\$7,157	11.5%
262	Cardiac pacemaker revision except device replacement w/o CC/MCC	\$5,633	\$6,091	-7.5%
Weighted Average Pacemaker Rev or Repl. Percent Change (FY 2008 – FY 2009)		\$9,415	\$8,371	12.8%

## Base Payment Changes for Electrophysiology Procedures

The table below shows the final FY 2009 DRG rates for cardiac ablation procedures compared to FY 2008 DRG rates:

FY 2009 MS DRG	Procedure	FY 2009 Final Rate	FY 2008 Rate	% Change (FY 2008–FY 2009)
<b>Electrophysiology Procedures</b>				
250	Perc cardiovasc proc w/o coronary artery stent or AMI w MCC	\$16,598	\$13,471	23.2%
251	Perc cardiovasc proc w/o coronary artery stent or AMI w/o MCC	\$8,899	\$9,468	-6%
Weighted Average Electrophysiology Procedures Percent Change (FY 2008 – FY 2009)		\$9,973	\$10,027	-0.5%

## Additional Information

[Read Medicare's press release](#)

[Read the full 2009 IPPS Final Rule <sup>1</sup>](#)

For questions related to the reimbursement of CRM products, call 1.800.CARDIAC (1.800.227.3422) and ask for the reimbursement call center.

<sup>1</sup>Centers for Medicare and Medicaid Services. Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Fiscal Year 2008 Rates. August 1, 2008. Available at: <http://www.cms.hhs.gov/AcutelInpatientPPS/downloads/CMS-1390-F.pdf>. Accessed August 2, 2008.

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