

Frequently Asked Questions

Evoke® Closed-Loop Spinal Cord Stimulation System Transitional Pass-Through (TPT) Payment

On November 1, 2022, Centers for Medicare and Medicaid Services (CMS) approved the Evoke® Closed-Loop Spinal Cord Stimulation System Transitional Pass-Through (TPT) Payment. CMS agreed that Evoke® met all criteria for TPT, including that it provides a substantial clinical improvement over open loop, legacy spinal cord stimulation (SCS) systems. The TPT is effective January 1, 2023.

TPT is a pathway created by CMS to increase patient access to new and innovative technology. This allows Hospitals and Ambulatory Surgery Centers (ASCs) to receive additional payment for the use of this technology through a new Healthcare Common Procedure Coding System (HCPCS) device code (C1826), developed exclusively for closed-loop technology.

What is a transitional pass-through (TPT)?

TPT is a pathway created by CMS to increase Medicare patient access to new and innovative technology while claims data is collected. This allows Hospital Outpatient Departments and ASCs to receive additional payment for the use of this technology for 3 years.

What is the transitional pass-through payment intended to do?

The program is intended to reimburse hospital outpatient departments and ASCs for the incremental cost of a qualifying device (such as Evoke®) when the cost of the device exceeds the current device-related portion of the Ambulatory Payment Classification (APC) for the associated procedure as determined by CMS.

What are the criteria to qualify for TPT?

For a device to qualify for transitional pass-through payment, it must meet the following criteria:

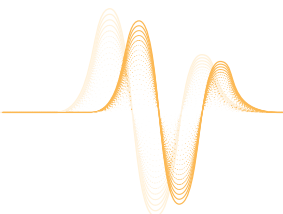
- New technology that is surgically inserted or implanted
- Clinically reasonable and necessary
- Provides a substantial clinical improvement over the current standard of care
- “Not insignificant” cost

How do I report the use of Evoke® Spinal Cord Stimulation technology? What is the appropriate code?

CMS created a new device category and HCPCS code effective January 1, 2023. The HCPCS code is C1826. This code should be included on the facility claim, along with the associated charges for the Evoke® implant and charger.

When is the device eligible for transitional pass-through payments and how long is the device eligible for pass-through?

The Evoke® TPT is effective January 1, 2023 and lasts for 3 years.



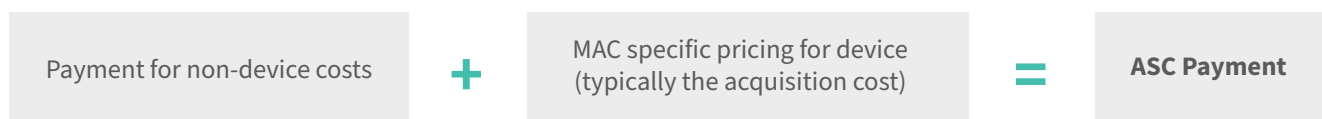
Hospital Outpatient Department Payment Calculation¹

For hospitals, the incremental pass-through payment is determined by taking the hospital's charges for Evoke[®] and converting to costs based on the individual hospital's cost-to-charge (CCR) ratio for the cost center "Implantable Devices Charged to Patients", if available. This amount is added to the non-device offset amount of APC 5465. The device offset amount, or device costs, is set at 81.83%² of the APC 5465 payment for 2023.



ASC Payment Calculation¹

Using the Procedure Percent Multiplier from the 2023 ASC Code Pair File³, set at a percent of the payment from CPT Code 63685 in 2023, the ASC receives payment for the non-device amount of the underlying procedure. CMS then adds a payment for the device itself based upon MAC (Medicare Administrative Contractor) specific pricing, **typically covering the acquisition cost of the device.**



Does the transitional pass-through payment apply to private payers?

No, the transitional pass-through payment applies only to fee-for-service Medicare patients. It does not apply to other payers, including Medicare Advantage. Private payer payment is based on a proprietary contract between providers and payers. To the extent that a private payer offers carve-out payments for new technology or for implants, any additional payment and the requirements for such would be determined by the contract between the payer and the provider. Facilities should check with private payers to determine if there is any supplemental reimbursement.

What impact does the transitional pass-through payment have on the payment to clinicians?

The transitional pass-through payment applies to facility payments under the Hospital Outpatient Prospective Payment System, including ASCs. Transitional pass-through payment status for Evoke[®] has no impact on the payment to the clinician for the associated procedure.

Contact us for more information at:

reimbursement@saludamedical.com

References:

<https://www.cms.gov/files/document/cy2023-hospital-outpatient-prospective-payment-system-and-ambulatory-surgical-center-final-rule.pdf>
Calendar Year 2023 Medicare Outpatient Prospective Payment System, Final Rule [CMS-1772-FC], Federal Register, November 1, 2022 and its associated Addenda .

CPT[®] Notice: CPT[®] copyright 2021 American Medical Association. All rights reserved. Fee schedules, relative value units, conversion factors and/or related components are not assigned by the AMA, are not part of CPT[®], and the AMA is not recommending their use. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained herein. CPT[®] is a registered trademark of the American Medical Association. Applicable FARS/DFARS Restrictions Apply to Government Use.

1. Final hospital and ASC payment for non-device costs will be adjusted geographically by the wage-adjusted index
2. Device offset from CMS-1772-FC, Addendum P
3. January 2023 ASC Code Pair File

Disclaimer: This information is for educational/informational purposes only and should not be construed as authoritative. The information presented here is based upon publicly available source information. Codes and values are subject to frequent change without notice. The entity billing Medicare and/or third party payers is solely responsible for the accuracy of the codes assigned to the services or items in the medical record. When making coding decisions, we encourage you to seek input from the AMA, relevant medical societies, CMS, your local Medicare Administrative Contractor and other health plans to which you submit claims. Items and services that are billed to payers must be medically necessary and supported by appropriate documentation. Saluda Medical does not promote the off-label use of its products. It is important to remember that while a code may exist describing certain procedures and/or technologies, it does not guarantee payment by payers.