2016 Medicare Reimbursement Proposals for the CyberKnife® Radiosurgery System

On July 1, 2015, and July 8, 2015, CMS released the 2016 Medicare Proposed Rules for Hospitals, Physicians, and Freestanding Centers. Below we provide an overview of the rules and the impact they may have on your CyberKnife practice.

Executive Summary

For stereotactic radiosurgery (SRS) and stereotactic body radiation therapy (SBRT) performed in the hospital outpatient department, CMS has proposed policies that reflect their growing interest in packaging and developing Ambulatory Payment Classifications (APCs) with greater resource and clinical homogeneity.

When comparing only the delivery code for single session extracranial and multisession SRS/SBRT or the Comprehensive APC proposed for single session SRS to 2015, payment would be reduced in 2016. However, when factoring in the ancillary codes CMS proposes to still pay for separately in both APCs, the total technical and global payments would remain relatively stable over 2015 (ranging from a 6 percent increase to a 7 percent decrease).

For SRS and SBRT performed in freestanding centers, CMS has not reintroduced its 2015 proposal to replace the robotic billing codes (G0339 and G0340) with the less specific billing codes (77372 and 77373). Payment for CyberKnife services in 2016 is expected to remain contractor priced. Payment for the non-robotic SRS/SBRT billing codes 77372 and 77373 is proposed to increase in 2016 by 9 percent primarily due to additional Relative Value Units (RVUs) that have been added for practice and malpractice expenses.

Hospital Outpatient Proposals

Retention of Comprehensive APC for Single Session Cranial Radiosurgery

CMS proposes to retain a comprehensive APC (now C-APC 5631) for single session cranial SRS, but identifies and excludes several ancillary codes from the bundled payment. These codes will be separately reimbursed in addition to the comprehensive APC payment and tracked with a modifier.

- As a result of this proposal the base payment for the comprehensive APC would be 25 percent lower than in 2015. However, separate payment for some ancillary codes improves the overall picture.

- The specific codes CMS proposes to be billed and separately paid are:
  - CT localization (HCPCS codes 77011 and 77014)
  - MRI imaging (HCPCS codes 70551, 70552, and 70553)
  - Clinical treatment planning (HCPCS codes 77280, 77285, 77290, and 77295)
  - Physics consultation (HCPCS code 77336)
• If your practice bills any of these codes as medically necessary in the course of a CyberKnife single session cranial treatment, be sure to continue billing these codes in 2016 as they will be used to calculate a revised C-APC in the future.

Assuming only the codes specifically identified by CMS above are separately payable (and using only the codes we understand are applicable to CyberKnife), total technical payment would decrease by 9 percent.

Changes to the Physician Fee Schedule have contributed to slight changes in total global payment with the total for technical and professional proposed to decrease 7 percent over 2015.

Changes in payment for single session cranial SRS delivery only are outlined as follows:

<table>
<thead>
<tr>
<th>Delivery</th>
<th>HCPCS/CPT Code</th>
<th>2015</th>
<th>2016</th>
<th>Diff $</th>
<th>Diff %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRS – 1 Fx</td>
<td>77372</td>
<td>$9,765.40</td>
<td>$7,347.35</td>
<td>-$2,418.05</td>
<td>-25%</td>
</tr>
</tbody>
</table>

Changes in total global payment (including technical and professional) for single session cranial SRS are outlined as follows:

<table>
<thead>
<tr>
<th>Total Payment</th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRS/SBRT</td>
<td>Tech</td>
<td>Prof</td>
<td>Global</td>
</tr>
<tr>
<td>CK - 1 Fx</td>
<td>$9,765</td>
<td>$1,904</td>
<td>$11,669</td>
</tr>
</tbody>
</table>

Single Session Extracranial and Multi-Session SRS/SBRT

CMS proposes to maintain a separate APC (now APC 5625) for single session extracranial and multi-session SRS/SBRT and to continue to pay for all ancillary services separately.

While CMS proposes a fairly significant cut to the delivery code (77373) of 11 percent, other changes in payment for technical service billed by hospitals and changes to the Physician Fee Schedule mitigate the cut.

• Changes to APCs for ancillary codes would contribute to slight changes in the overall technical payment for SBRT, resulting in a 1 percent increase in total technical payment for an average three-fraction case.

• Changes to the Physician Fee Schedule have contributed to slight changes in total global payment, also resulting in 1 percent increase for an average three-fraction case over 2015.

Changes in payment for single session extracranial and multi-session SRS/SBRT delivery only are outlined as follows:

<table>
<thead>
<tr>
<th>Delivery</th>
<th>HCPCS/CPT Code</th>
<th>2015</th>
<th>2016</th>
<th>Diff $</th>
<th>Diff %</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRS/SBRT - Mult Fx</td>
<td>77373</td>
<td>$1,902.48</td>
<td>$1,698.64</td>
<td>-$203.84</td>
<td>-11%</td>
</tr>
</tbody>
</table>
Changes in total **global payment** for single session extracranial and multi-session SRS/SBRT are outlined as follows:

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>SRS/SBRT</td>
<td>Tech</td>
<td>Prof</td>
<td>Global</td>
</tr>
<tr>
<td>CK - 1 Fx</td>
<td>$6,509</td>
<td>$2,117</td>
<td>$8,626</td>
</tr>
<tr>
<td>CK - 2 Fx</td>
<td>$8,412</td>
<td>$2,117</td>
<td>$10,529</td>
</tr>
<tr>
<td>CK - 3 Fx  average</td>
<td>$10,314</td>
<td>$2,117</td>
<td>$12,431</td>
</tr>
<tr>
<td>CK - 4 Fx</td>
<td>$12,217</td>
<td>$2,117</td>
<td>$14,334</td>
</tr>
<tr>
<td>CK - 5 Fx</td>
<td>$14,233</td>
<td>$2,117</td>
<td>$16,349</td>
</tr>
</tbody>
</table>

We encourage all hospital providers to review their coding and cost reporting systems to ensure these proposals accurately reflect the cost to provide single session cranial, single session extracranial and multi-session SRS/SBRT services. Because these data will be used for rate setting in 2016 and in future years, Accuray recommends all CyberKnife providers review the Proposed Rule and consider submitting comments to CMS.

Comments on the Proposed Rule affecting hospital outpatient departments are due to CMS by August 31, 2015. The Proposal (CMS-1633-P) and instructions for commenters can be found at: [http://www.regulations.gov/#!documentDetail;D=CMS-2015-0075-0002](http://www.regulations.gov/#!documentDetail;D=CMS-2015-0075-0002)

**Freestanding Center Proposals**

**Retaining Robotic G Codes**

In response to stakeholder engagement in 2014, led by the CyberKnife Coalition, CMS withdrew its proposal to replace HCPCs codes (G0339 and G0340) used to bill for CyberKnife services in the freestanding center setting with CPT codes 77372 and 77373 in 2015.

For 2016, CMS did not reintroduce this proposal. The contractor-priced G codes for CyberKnife will therefore remain active codes and payment in the majority of states with a freestanding CyberKnife are expected to remain above CPT SRS/SBRT rates.

<table>
<thead>
<tr>
<th>Robotic SRS/SBRT</th>
<th>2015</th>
<th>2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tech</td>
<td>Prof</td>
<td>Global</td>
</tr>
<tr>
<td>CK - 1 Fx</td>
<td>$5,210</td>
<td>$1,904</td>
<td>$7,113</td>
</tr>
<tr>
<td>CK - 2 Fx</td>
<td>$7,723</td>
<td>$2,117</td>
<td>$9,839</td>
</tr>
<tr>
<td>CK - 3 Fx average</td>
<td>$10,235</td>
<td>$2,117</td>
<td>$12,352</td>
</tr>
<tr>
<td>CK - 4 Fx</td>
<td>$12,748</td>
<td>$2,117</td>
<td>$14,865</td>
</tr>
<tr>
<td>CK - 5 Fx</td>
<td>$15,338</td>
<td>$2,117</td>
<td>$17,454</td>
</tr>
</tbody>
</table>

* Payment based on the average Medicare contractor payment rate for HCPCS Codes G0339 ($3,272) and G0340 ($2,513) for all states with an operational CyberKnife Freestanding Center.
In states where payment has been cross-walked to the CPT rates, payment for the delivery will increase by 9 percent as a result of proposed changes in practice expense and malpractice RVUs for single session cranial and multi-session (non-robotic) SBRT.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>NR SRS 1 Fx IC</td>
<td>77372</td>
<td>77372</td>
<td>$1,063</td>
<td>$1,158</td>
<td>$95</td>
<td>9%</td>
</tr>
<tr>
<td>NR SBRT Multiple Fx</td>
<td>77373</td>
<td>77373</td>
<td>$1,350</td>
<td>$1,473</td>
<td>$123</td>
<td>9%</td>
</tr>
</tbody>
</table>

We encourage all CyberKnife centers to review the CMS proposals that may impact your practices. We also recommend reading the summaries of the other major proposals that may impact the radiation oncology community, found on the website of the American Society for Radiation Oncology (ASTRO) at: [http://bit.ly/astro_summary](http://bit.ly/astro_summary).

For any questions regarding these changes we encourage you to join the upcoming CKC Webex and contact accesssupport@accuray.com.