January 5, 2004

Dennis Smith
Acting Administrator
Centers for Medicare and Medicaid Services (CMS)
Department of Health and Human Services
File Code: CMS-1476-FC
Room C5-14-03
7500 Security Boulevard
Baltimore, Maryland 21244-8013

Re: Medicare Program; Revisions to Payment Policies Under the Physician Fee Schedule for Calendar Year 2004; Final Rule

Dear Mr Smith:

The Society of Nuclear Medicine (SNM) representing more than 14,000 physicians, physicists, scientists, pharmacists and nuclear medicine technologists, appreciates the opportunity to comment on the November 7, 2003, (68 Fed. Reg. 63195) final rule on revisions to payment policies under the physician fee schedule of the Medicare Program.

The SNM offers comments and recommendations on the following topics addressed in this final rule:

1. Nuclear Medicine Crosswalks;
2. Nuclear Medicine Descriptions; and
3. Medicare Payment Updates.

Nuclear Medicine Crosswalks

We would like to bring to your attention that CMS may be using incorrect information regarding appropriate crosswalks to use for some nuclear medicine services included in the zero work pool methodology. Specifically, we have questioned the final relative value units and process regarding practice expense data for 78804, 79403 and 78306.

At the April 2003 RUC meeting, nuclear medicine used CPT® codes 78306 Bone and/or joint imaging, whole body to develop practice expense data for codes 78802 Tumor imaging, whole body, single day imaging; 78804 Tumor Imaging whole body, requiring two or more days imaging; and 79403 Radiopharmaceutical therapy, radiolabeled monoclonal antibody by intravenous infusion. The reference code and these services have many common elements of practice expense (ie, pre-service activities, many day of service activities, and many post-service activities). However, a major variable
for nuclear medicine expense is the **number** of imaging sessions and the **length** of time for each imaging session. If a code involves multiple imaging sessions, the practice expense related to the imaging portion should be multiplied by the number of sessions. For example, CPT code 78804 involves a day on which the radiopharmaceutical is administered and two subsequent visits for imaging. CMS accepted and published the RUC recommended direct practice expense inputs for each of these nuclear medicine codes. However, as the technical component for these services fall into the zero work pool methodology, these inputs were not utilized in establishing practice expense relative value units. Instead, CMS utilized the recommended crosswalk (CPT 78306) to establish the practice expense relative values for the crosswalk code. The practice expense relative values should be computed based on the comparison of total practice expense of the new code to the existing crosswalked code. For example, the practice expense relative value for CPT code 78804 should reflect that the clinical staff time for imaging in 78804 is twice as much as the time in 78802 and 78306 and the Practice Expense RVUs for 78804 should be increased to 7.84.

This issue also arose when the practice expense relative value was assigned to CPT code 78070 Parathyroid imaging. In this case, multiple imaging sessions are also utilized. An appropriate crosswalk for this code, considering the clinical staff time utilized would be 78306 and the Practice Expense RVUs for 78070 should be increased to 4.24.

The SNM strongly urges CMS to review these issues and make any needed adjustments, including updating data files sent to contractors, for payments to providers for these nuclear medicine services.

**Nuclear Medicine Descriptions Addendum B & C**

The SNM would like to bring to CMSs attention current descriptions as listed in Addendum B and C which may not properly describe some nuclear medicine procedures. We offer suggested alternate descriptions as listed below to assist and clarify these short CMS descriptions as follows:

<table>
<thead>
<tr>
<th>CPT®</th>
<th>Description</th>
<th>CMS Description</th>
<th>SNM Recommendation</th>
</tr>
</thead>
<tbody>
<tr>
<td>78802</td>
<td>Radiopharmaceutical localization of tumor or distribution of radiopharmaceutical agent(s), whole body, single day imaging</td>
<td>Tumor Imaging, whole body</td>
<td>Tumor imaging, whole body, single session</td>
</tr>
<tr>
<td>78804</td>
<td>Radiopharmaceutical localization of tumor or distribution of radiopharmaceutical agent(s), whole body, requiring two or more days imaging</td>
<td>Tumor Imaging, whole body</td>
<td>Tumor imaging, whole body, multiple sessions</td>
</tr>
<tr>
<td>79403</td>
<td>Radiopharmaceutical therapy, radiolabeled monoclonal antibody by intravenous infusion</td>
<td>Hematopoetic (sic) nuclear therapy</td>
<td>Nuclear therapy, monoclonal antibody infusion</td>
</tr>
</tbody>
</table>
Medicare Payment Update

The SNM is pleased that Congress has taken measures to reform payment rates for physicians and covered outpatient drugs, specifically that radiopharmaceuticals are covered outpatient drugs. We understand that CMS is in the process of developing specific plans for implementing the new legislation. The SNM looks forward to working closely with CMS staff offering our assistance and nuclear medicine expertise and knowledge to clarify crosswalk and translation issues (ie conversions from mCi to uCi or per dose) to achieve and establish appropriate reimbursement for radiopharmaceuticals under the new statutory framework. This issue is of paramount importance to the nuclear medicine community, and key to continued availability of the radiolabeled drugs that are the fundamental component of our specialty. To this end, we remain committed to offering education and assistance to CMS staff regarding radiopharmaceuticals. We encourage CMS to contact SNM coding staff Denise Merlino at dmerlino@snm.org or Bill Uffelman at wuffelman@snm.org.

Additionally, the SNM appreciates Agency efforts made to prevent the previously impending negative 4.5% conversion factor reductions outlined in the final rule. The SNM is however concerned, as are other professional societies, that beginning in 2006, physicians will face four years of deep cuts to recoup the costs of the 2004 and 2005 increases unless changes are made to the physician formula. The SNM is committed to working with professional societies and CMS to evaluate and correct this formula to ensure that such dramatic cuts may be avoided in 2006.

Again, the SNM appreciates the opportunity to comment on this final rule to the CMS. Should you find it appropriate to do so, the SNM is happy to discuss any of its comments on the above issues further. If you have any further questions or comments on these or any other issues, please contact me or Bill Uffelman, General Counsel and Director of Public Affairs at the Society of Nuclear Medicine at 703-708-9773.

Respectfully Submitted,

Gary Dillehay, M.D.
Chairman, Coding and Reimbursement Committee

Cc: Terry Kay
    Ken Simon
    Carolyn Mullen
    Coding and Reimbursement Committee
    Board of Directors
    Denise Merlino