



2020 MEDICARE

Inpatient Reimbursement Prospectus

Due to increasing financial risk to U.S. health care providers, physicians and hospitals have been centered on outcomes-based modifiers to Medicare payments for the last few years. We appreciate the role that Abbott procedures play in Medicare's reform programs and we believe that opportunities for success in a new era of reform continue to present themselves, such as treatment optimization, improving outcomes and avoiding downstream complications. Abbott believes that opportunities also exist from clinical to economic perspectives to impact patient care and hospital performance. We continue our mission to create relevant technology that improves meaningful patient outcomes, now made even more meaningful considering expanded financial risks posed to U.S. hospitals.

On August 2, 2019, the Centers for Medicare & Medicaid Services (CMS) released the FY 2019 Final Inpatient Prospective Payment System (IPPS) Rule, effective for inpatient services on October 1, 2019. Abbott has analyzed and summarized the varying impact to individual FY 2020 Medicare Severity-Diagnosis Related Group (MS-DRG) payments for procedures supported by our technologies or therapy solutions. Please refer to the full FY 2020 Final IPPS Rule to fully understand the changes to individual MS-DRGs.

Medicare IPPS Comparison Chart: FY 2019 vs. FY 2020

Technology	MS-DRG	Description	Severity	FY 2019 - Correction Notice		FY 2020 - Final			
				Payment	Discharges	Payment	Discharges	% Change (\$)	Change (Discharges)
Surgical Valves	216	Cardiac valve & other major cardiothoracic procedures with cardiac catheterization	MCC	\$59,961	7,527	\$62,903	6,176	4.9%	-1,351
	217		CC	\$38,848	2,981	\$41,664	2,245	7.2%	-736
	218		None	\$36,055	324	\$33,833	265	-6.2%	-59
	219	Cardiac valve & other major cardiothoracic procedures without cardiac catheterization	MCC	\$46,961	16,631	\$49,108	15,946	4.6%	-685
	220		CC	\$31,781	17,576	\$33,235	16,954	4.6%	-622
	221		None	\$28,130	3,080	\$28,789	2,677	2.3%	-403
Septal Defects - Atrial: PFO Closure; LAAC	273	Percutaneous intracardiac procedures	MCC	\$22,300	7,433	\$23,240	6,886	4.2%	-547
	274		None	\$18,184	18,261	\$19,792	21,816	8.8%	3,555
Septal Defects - Ventricular	228	Other cardiothoracic procedures	MCC	\$40,151	4,870	\$39,376	4,153	-1.9%	-717
	229		CC None	\$28,381	5,762	\$25,712	4,907	-9.4%	-855
Endovascular Valve Replacement - includes Aortic and Mitral	266	Endovascular cardiac valve replacement & supplement procedure	MCC	\$43,908	14,688	\$44,607	18,384	1.6%	3,696
	267		None	\$35,706	19,750	\$35,550	25,026	-0.4%	5,276
Coronary Artery Bypass Graft (CABG)	231	Coronary bypass with ptca	MCC	\$51,279	1,121	\$51,435	975	0.3%	-146
	232		None	\$37,612	735	\$37,498	695	-0.3%	-40
	233	Coronary bypass with cardiac catheterization	MCC	\$46,632	12,881	\$48,662	12,544	4.4%	-337
	234		None	\$31,426	15,914	\$32,611	14,849	3.8%	-1,065
	235	Coronary bypass without cardiac catheterization	MCC	\$35,472	10,918	\$36,860	10,977	3.9%	59
	236		None	\$23,972	19,730	\$25,237	19,641	5.3%	-89
Coronary (Stents)	246	Percutaneous cardiovascular procedures with des or 4+ stents	MCC	\$19,774	46,476	\$19,874	48,565	0.5%	2,089
	247	Percutaneous cardiovascular procedure with des	None	\$12,682	88,091	\$12,745	86,968	0.5%	-1,123
	248	Percutaneous cardiovascular procedures with bms or 4+ stents	MCC	\$19,370	5,404	\$19,396	3,437	0.1%	-1,967
	249	Percutaneous cardiovascular procedures with bms	None	\$12,151	7,575	\$12,005	4,568	-1.2%	-3,007
	250	Perc cardiovasc proc w/o coronary artery stent	MCC	\$15,794	4,059	\$15,973	4,177	1.1%	118
	251		None	\$10,244	6,020	\$10,542	5,637	2.9%	-383
Endovascular	252	Other vascular procedures	MCC	\$19,903	35,748	\$20,548	35,177	3.2%	-571
	253		CC	\$15,839	27,270	\$16,327	26,085	3.1%	-1,185
	254		None	\$11,051	13,095	\$11,401	11,899	3.2%	-1,196
Vascular Plugs	270	Other major cardiovascular services	MCC	\$30,904	18,707	\$32,009	18,560	3.6%	-147
	271		CC	\$21,331	14,696	\$22,224	14,845	4.2%	149
	272		None	\$15,985	5,726	\$16,294	5,530	1.9%	-196
Carotid	034	Carotid artery stent procedure	MCC	\$21,979	765	\$23,512	1,132	7.0%	367
	035		CC	\$13,556	2,213	\$14,420	3,052	6.4%	839
	036		None	\$10,538	3,181	\$10,968	4,319	4.1%	1,138
Percutaneous Heart Pump (PHP)	215	Other heart assist systems implant	None	\$78,676	3,654	\$80,715	6,845	2.6%	3,191
Renal Denervation	304	Hypertension	MCC	\$6,601	15,218	\$6,837	15,492	3.6%	274
	305		None	\$4,395	29,506	\$4,582	30,020	4.2%	514
Leadless Pacemaker	228	Other cardiothoracic procedures	MCC	\$40,151	4,870	\$39,376	4,153	-1.9%	-717
	229		None	\$28,381	5,762	\$25,712	4,907	-9.4%	-855

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Technology	MS-DRG	Description	Severity	FY 2019 - Correction Notice		FY 2020 - Final			
				Payment	Discharges	Payment	Discharges	% Change (\$)	Change (Discharges)
Defibrillator Systems; CRT-D	222	Cardiac defibrillator implant with cardiac catheterization with ami/hf/shock	MCC	\$49,682	1,636	\$52,268	1,836	5.2%	200
	223		None	\$38,808	630	\$37,601	531	-3.1%	-99
	224	Cardiac defibrillator implant with cardiac catheterization without ami/hf/shock	MCC	\$45,331	2,103	\$46,328	2,213	2.2%	110
	225		None	\$34,920	1,775	\$35,383	1,650	1.3%	-125
	226	Cardiac defibrillator implant without cardiac catheterization	MCC	\$41,628	4,862	\$41,890	5,054	0.6%	192
	227		None	\$32,461	5,699	\$32,754	5,193	0.9%	-506
Defibrillator Generator & Lead	245	Aicd generator procedures	NA	\$30,601	2,515	\$32,620	2,116	6.6%	-399
	265	Aicd lead procedures	NA	\$19,029	742	\$19,551	657	2.7%	-85
Pacemaker Systems; CRT-P	242	Permanent cardiac pacemaker implant	MCC	\$22,816	19,364	\$23,245	19,033	1.9%	-331
	243		CC	\$15,595	26,229	\$15,844	26,105	1.6%	-124
	244		None	\$12,887	16,974	\$13,000	15,098	0.9%	-1,876
Pacemaker Generator	258	Cardiac pacemaker device replacement	MCC	\$18,248	717	\$19,159	664	5.0%	-53
	259		None	\$12,803	1,411	\$13,045	1,029	1.9%	-382
Pacemaker Revision; ICMs	260	Cardiac pacemaker revision except device replacement	MCC	\$22,099	2,537	\$23,173	2,627	4.9%	90
	261		CC	\$12,161	3,406	\$12,205	3,594	0.4%	188
	262		None	\$9,957	1,482	\$10,508	1,487	5.5%	5
Acute Myocardial Infarction (AMI)	280	Acute myocardial infarction, discharged alive	MCC	\$10,117	82,071	\$10,216	87,710	1.0%	5,639
	281		CC	\$5,981	47,360	\$6,068	48,941	1.5%	1,581
	282		None	\$4,573	23,321	\$4,622	21,726	1.1%	-1,595
	283	Acute myocardial infarction, expired	MCC	\$11,019	10,537	\$11,273	10,583	2.3%	46
	284		CC	\$4,680	1,488	\$4,543	1,286	-2.9%	-202
	285		None	\$3,641	450	\$3,243	320	-10.9%	-130
Conduction Disorders	308	Cardiac arrhythmia and conduction disorders	MCC	\$7,349	72,910	\$7,439	70,825	1.2%	-2,085
	309		CC	\$4,662	91,134	\$4,737	89,056	1.6%	-2,078
	310		None	\$3,433	64,549	\$3,503	59,439	2.0%	-5,110
Surgical Ablations	228	Other cardiothoracic procedures	MCC	\$40,151	4,870	\$39,376	4,153	-1.9%	-717
	229		None	\$28,381	5,762	\$25,712	4,907	-9.4%	-855
Catheter Ablations	273	Percutaneous intracardiac procedures	MCC	\$22,300	7,433	\$23,240	6,886	4.2%	-547
	274		None	\$18,184	18,261	\$19,792	21,816	8.8%	3,555
Left Ventricular Assist Device (LVAD)	001	Heart transplant or implant of heart assist system	MCC	\$161,250	2,347	\$173,092	2,409	7.3%	62
	002		None	\$81,952	203	\$87,778	194	7.1%	-9
Acute Mechanical Circulatory System (MCS)	003	Ecmo or trach w mv >96 hrs or pdx exc face, mouth & neck w maj o.R.	NA	\$111,715	15,794	\$118,722	15,320	6.3%	-474
	215	Other heart assist systems implant	NA	\$78,676	3,654	\$80,715	6,845	2.6%	3,191

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Technology	MS-DRG	Description	Severity	FY 2019 - Correction Notice		FY 2020 - Final				
				Payment	Discharges	Payment	Discharges	% Change (\$)	Change (Discharges)	
CardioMEMS™ HF System	264	Other circulatory system operating room procedures	NA	\$19,285	11,606	\$20,345	10,829	5.5%	-777	
Deep Brain Stimulation (DBS)	025	Lead placement only, or lead revision OR System implant, single array generator plus leads	MCC	\$26,116	20,920	\$27,526	21,570	5.4%	650	
	026		CC	\$18,412	8,876	\$19,078	9,696	3.6%	820	
	027		None	\$14,688	10,503	\$15,012	10,895	2.2%	392	
	040	Generator only implant or replacement, single/multi array non-rechargeable or multi-array rechargeable	MCC	\$23,984	4,795	\$24,682	4,621	2.9%	-174	
	041	System implant, multi-array, rechargeable or non-rechargeable, plus leads	CC	\$14,399	6,036	\$14,854	6,645	3.2%	609	
	042		None	\$11,426	2,331	\$11,577	2,385	1.3%	54	
	023	System implant, multi-array, rechargeable or non-rechargeable, plus leads	MCC	\$33,337	9,451	\$35,184	11,196	5.5%	1,745	
	024		None	\$23,930	3,399	\$25,158	4,251	5.1%	852	
Spinal Cord Stimulation (SCS) for Pain	028	Whole System implantation or replacement(generator plus leads)	MCC	\$32,816	2,076	\$35,017	2,100	6.7%	24	
	029	Spinal procedures or spinal neurostimulators	CC	\$19,267	3,688	\$20,088	3,946	4.3%	258	
	030	Spinal Procedures without CC/MCC	None	\$13,284	1,692	\$14,232	1,587	7.1%	-105	
	518	Back & neck procedures excluding spinal fusion, or disc device/neurostimulator	MCC	\$18,928	3,174	\$21,351	2,651	12.8%	-523	
	519	Back and neck procedure except spinal fusion with CC	CC	\$11,368	8,384	\$11,956	8,673	5.2%	289	
	520	Back and neck procedure except spinal fusion without CC/MCC	None	\$8,023	8,648	\$8,381	7,732	4.5%	-916	
	040	Peripheral/Cranial Nerve and Other Nervous System Procedures Generator implantation only or replacement (any type)	MCC	\$23,984	4,795	\$24,682	4,621	2.9%	-174	
	041		CC	\$14,399	6,036	\$14,854	6,645	3.2%	609	
	042		None	\$11,426	2,331	\$11,577	2,385	1.3%	54	
	981		Extensive OR procedure unrelated to to principal Dx	MCC	\$26,684	29,655	\$28,199	27,701	5.7%	-1,954
	982			CC	\$14,976	15,355	\$15,271	16,473	2.0%	1,118
	983			None	\$9,580	3,399	\$10,254	2,988	7.0%	-411
	Major Chest	163	Major chest procedures	MCC	\$30,035	11,820	\$30,528	11,581	1.6%	-239
164		CC		\$15,684	15,484	\$15,857	15,985	1.1%	501	
165		None		\$11,310	8,257	\$11,583	8,299	2.4%	42	
Aortic Heart Assist	268	Aortic and heart assist procedures except pulsation balloon	MCC	\$40,929	4,062	\$42,484	3,697	3.8%	-365	
	269		None	\$25,343	17,966	\$26,724	17,001	5.4%	-965	
Aortic Heart Assist	286	Circulatory disorders except AMI, w card cath	MCC	\$13,315	40,170	\$13,764	43,136	3.4%	2,966	
	287		None	\$6,954	65,606	\$7,217	60,364	3.8%	-5,242	
Peripheral Vascular	299	Peripheral vascular disorders	MCC	\$8,855	19,136	\$9,081	17,958	2.5%	-1,178	
	300		CC	\$6,250	31,099	\$6,437	29,154	3.0%	-1,945	
	301		None	\$4,434	10,166	\$4,546	8,497	2.5%	-1,669	

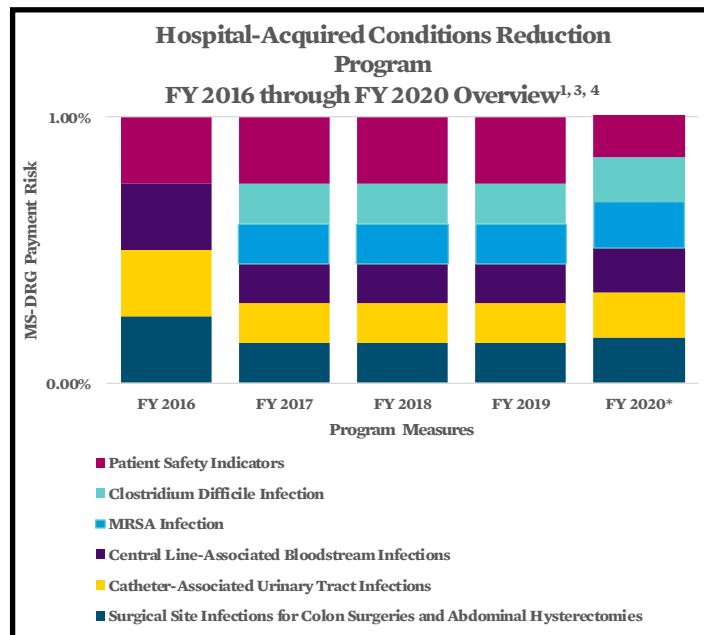
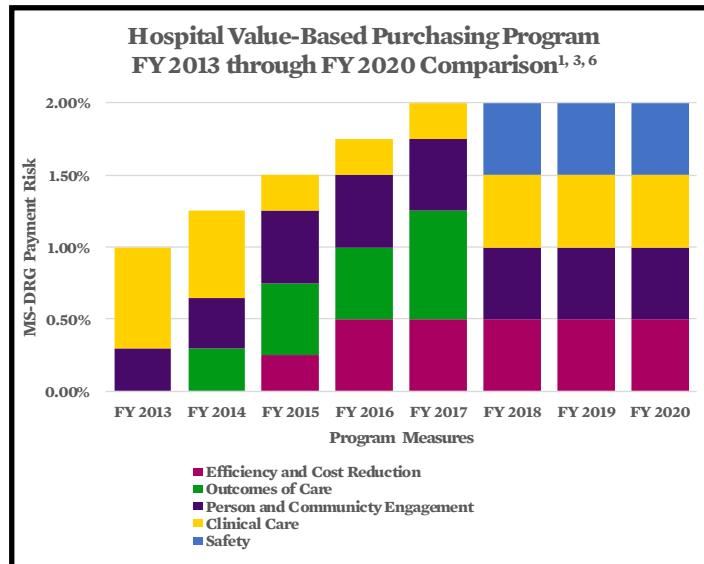
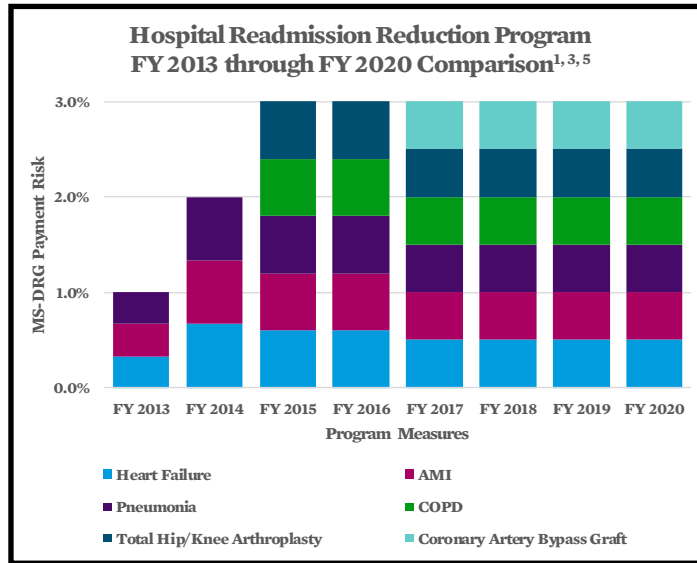
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Technology	MS-DRG	Description	Severity	FY 2019 - Correction Notice		FY 2020 - Final			
				Payment	Discharges	Payment	Discharges	% Change (\$)	Change (Discharges)
Vascular: Other Kidney and Urinary Tract	673	Other kidney & urinary tract procedures	MCC	\$21,841	8,003	\$22,390	11,426	2.5%	3,423
	674		CC	\$14,117	5,259	\$15,310	6,710	8.5%	1,451
	675		None	\$9,923	499	\$10,222	468	3.0%	-31
Heart Failure	291	Heart failure & shock	MCC	\$8,214	361,117	\$8,430	392,424	2.6%	31,307
	292		CC	\$5,616	108,734	\$5,672	94,507	1.0%	-14,227
	293		None	\$4,064	39,699	\$4,105	24,904	1.0%	-14,795

MEDICARE PAYMENT RISK CONTINUES

As planned, Medicare will continue the scope and level of potential penalties of its payment reform initiatives, including the Hospital Readmissions Reduction Program and the Value-Based Purchasing Program. Risk to inpatient MS-DRG payments will continue at 3% and 2% respectively. The FY 2013 through FY 2020 makeup and impact of these two payment reform programs are illustrated in the charts on the next page. As payment reforms continue to impact healthcare management and as Medicare changes the way in which health care providers are paid, Abbott will continue to explore programs that seek to improve meaningful patient outcomes through shared risk.

For more information on how Medicare’s rulemaking or reform initiatives may impact your facility or institution, please contact Abbott’s Reimbursement team at 855-569-6430 or at hce@abbott.com.



DISCLAIMER

This update is intended to provide general information to assist the reader in understanding the Medicare IPPS final rule for fiscal year 2019. We encourage readers to review the regulation and other interpretive materials for a full and accurate understanding of the contents. This information does not guarantee coverage or payment at any specific level.

This information is provided to assist the recipient to understand the alternative codes and payment amounts that may be available when Abbott products are used. This information is for reference purposes only. It is not provided or authorized for marketing use. Note that codes, coverage and payment can vary from setting to setting, and from insurer to insurer. This information does not guarantee that use of any particular codes will result in coverage or payment at any specific level. Insurers make reimbursement decisions according to the insurer's evaluation of the patient's medical needs. The provider should select the code or codes that most accurately describe the patient's conditions and the procedures performed and products used. The provider should fully comply with the insurer requirements in submitting claims. The billing entity is solely responsible for the accuracy of the codes submitted.

REFERENCES

Hospital Inpatient Prospective Payment-Final Rule FY2020 Payment Rates. CMS-1716-F: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2020-IPPS-Final-Rule-Home-Page-Items/FY2020-IPPS-Final-Rule-Regulations.DLPage=1&DLEntries=10&DLSort=0&DLSortDir=ascending>

Final Acute Inpatient Prospective Payment System FY 2019 Rule, CMS-1694-F: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2019-IPPS-Final-Rule-Home-Page.html>

Tables created by Abbott Health Economics and Reimbursement team based on analysis of Medicare 2020 IPPS Final rule as of September 2019

CMS Matrix of Key Dates: <https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/Downloads/HAC-Reduction-Program-Key-Dates-Matrix.pdf>

CMS Readmissions Reduction Program (HRRP): <https://www.cms.gov/medicare/medicare-fee-for-service-payment/acuteinpatientpps/readmissions-reduction-program.html>

CMS Hospital Value-Based Purchasing: <https://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/HospitalQualityInits/Hospital-Value-Based-Purchasing-.html>

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