



FY2024 Medicare hospital inpatient prospective payment system (IPPS) updates & changes

Cardiac rhythm management and cardiac catheter ablations

(Based on Final Rule)

Updated for October 1, 2023

Medtronic Health Economics, Policy, and Reimbursement

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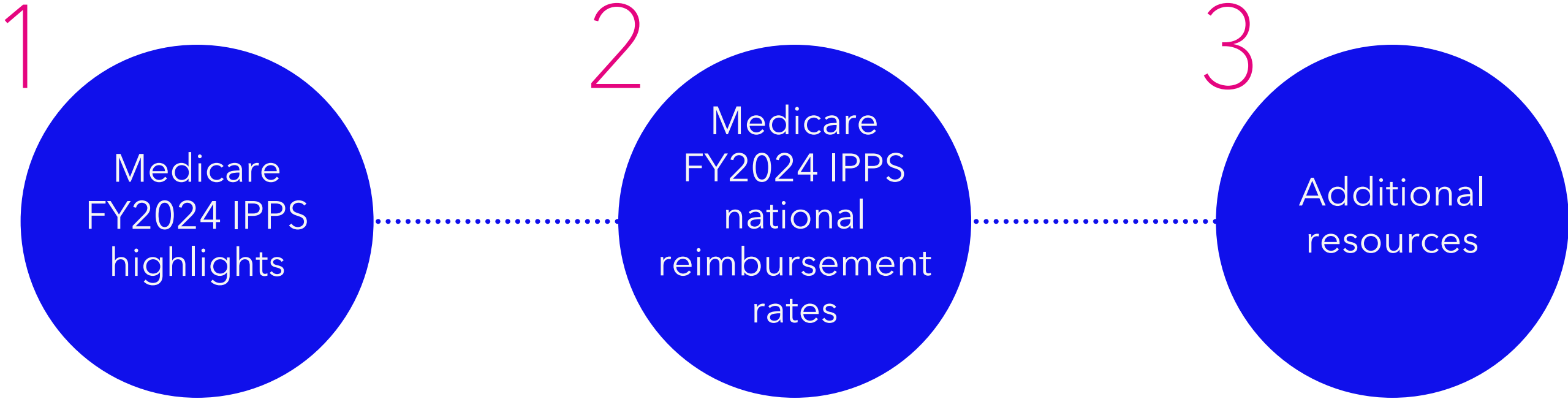
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FY2024 Medicare IPPS updates and changes

Topics



This slide deck is intended to provide an overview of the updates pertaining to coding, coverage, and Medicare reimbursement relating to cardiac rhythm, heart failure, cardiac catheter ablation procedures and therapies, and cardiac diagnostics when services are rendered in an inpatient hospital setting. We recommend checking with your payer for specific coding and billing requirements

The background features a blue-to-red gradient with a dotted pattern that forms a large, stylized shape resembling a '3' or a similar character. The dots are arranged in a grid that tapers and curves, creating a sense of depth and movement.

Medicare FY2024 IPPS highlights

Changes in payment rates

CMS finalized a

3.1%

increase in operating payment rates for acute care hospitals that successfully participate in the hospital Inpatient Quality Reporting (IQR) program and meaningfully use EHRs

CMS estimates a total increase of approximately

\$2.2 billion

in overall inpatient prospective payment system payments

Inpatient Quality Reporting <https://qualitynet.cms.gov/inpatient/iqr>

FY2024 Hospital Inpatient Prospective Payment System (IPPS) and Long-Term Care Hospital Prospective Payment System (LTCH PPS) Final Rule - CMS-1785-F and CMS-1788-f Fact Sheet <https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ipps-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area>

Addressing social and economic disparities in healthcare

Low-wage hospital policy

CMS will **continue temporary policies** finalized in the FY2020 IPPS Final Rule to **address wage index disparities** affecting low-wage hospitals, including rural hospitals.

Only **one year of relevant data** is available (FY2020) to evaluate the potential impacts of this policy.

CMS will continue to evaluate data.

Health equity impacts

Adding **15 new health equity hospital categorizations** for the FY2024 IPPS payment impacts.

CMS plans to **expand the collection, reporting, and analysis of standardized health equity data** to incorporate it into impact analyses.

Social determinants of health diagnosis codes

CMS finalized a change to the severity designation of the **three ICD-10-CM diagnosis codes describing homelessness** (e.g., unspecified, sheltered, and unsheltered) from non-complication or comorbidity (Non-CC) to complication or comorbidity (CC), **based on the higher average resource costs** of cases with these diagnosis codes compared to similar cases without these codes.

<https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ipp-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area>

Hospital Value-Based Purchasing (VBP) program

The Hospital VBP is a **budget-neutral program**

Funded by **reducing** participating hospitals' base operating DRG **payments each fiscal year by 2%** and redistributing the entire amount back to the hospitals as value-based incentive payments.

Finalized proposals include:



Adopt Severe Sepsis and Septic Shock: Management Bundle measure

Adopt the Severe Sepsis and Septic Shock: Management Bundle measure in the Safety Domain beginning with the FY2026 program year



Health equity scoring change

Adopt a health equity scoring change for rewarding excellent care in underserved populations so adjustments would be made to hospitals' Total Performance Scores (TPS), in which the score range is 0 to 110.



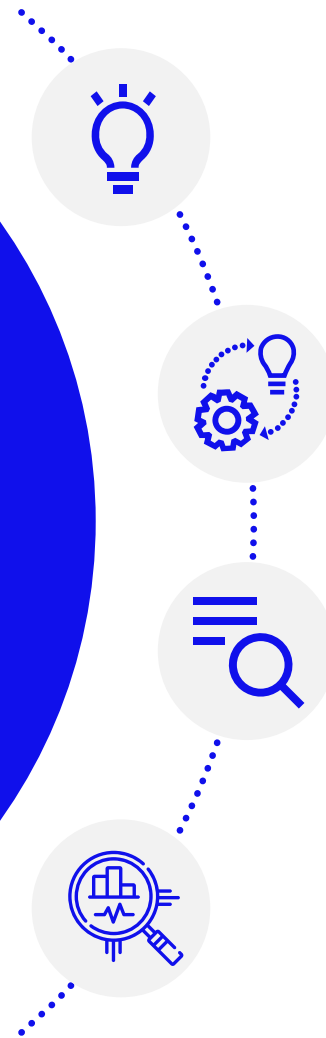
HCAHPS data submission and reporting requirement changes

Adopt changes to the data submission and reporting requirements of the HCAHPS survey measure beginning with the FY2027 program year

<https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ippis-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area.>

Atrial fibrillation surgical ablation concomitant procedures - new DRG

CMS received a request to assess MS-DRG assignments of cases involving concomitant surgical ablation procedures for atrial fibrillation.



Assessment

The request included **assessment of MS-DRGs 219-220**, specifically surrounding **open concomitant surgical ablation procedures, particularly when there are 2, 3, or 4+ procedures.**

Based on data submitted, the request indicates open surgical ablation procedures for atrial fibrillation are not clinically similar to MS-DRGs 219-221, and these **clinical differences are associated with significant differences in resource utilization.**

Next steps

In FY 2022, CMS finalized a revision of the surgical hierarchy for MS-DRGs 228-236. For FY 2023, CMS believed that **additional time was necessary to allow further analysis of the claims data** to determine to what extent patient's comorbidities or other contributing factors might be contributing to the higher cost for these procedures.

ICD/CRT-D payment grouping change



CMS consolidated six MS-DRGs into three broad MS-DRGs

The consolidated MS-DRGs have differentiated payment based on:

- ▶ Whether the impact occurs with cardiac catheterization, and
- ▶ Based on the presence or absence of major complications and comorbidities (MCC)

What does this mean?

- ▶ Elimination of the differentiation due to acute myocardial infarction (AMI), heart failure, or shock
- ▶ All procedures are impacted regardless of product brand used.

<https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ipp-s-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area.>

ICD/CRT-D payment grouping change

2023 MS-DRGs for ICDs

MS-DRG	MS-DRG description
222	Cardiac defibrillator implant with cardiac catheterization with AMI, HF or shock with MCC
223	Cardiac defibrillator implant with cardiac catheterization with AMI, HF or shock without MCC
224	Cardiac defibrillator implant with cardiac catheterization without AMI, HF or shock with MCC
225	Cardiac defibrillator implant with cardiac catheterization without AMI, HF or shock without MCC
226	Cardiac defibrillator implant without cardiac catheterization with MCC
227	Cardiac defibrillator implant without cardiac catheterization without MCC

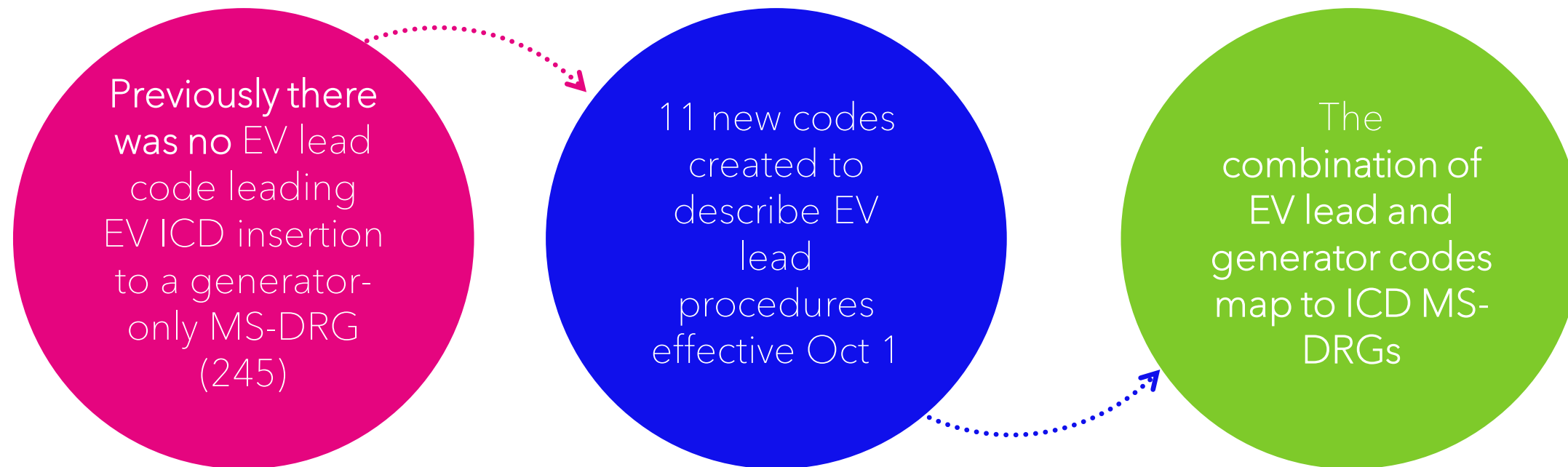
2024 MS-DRGs for ICDs

MS-DRG	MS-DRG description
275	Cardiac defibrillator implant with cardiac catheterization with MCC
276	Cardiac defibrillator implant with MCC
277	Cardiac defibrillator implant without MCC

<https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ippa-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area.>

EV ICD will have Medicare inpatient payment parity with all other ICD implants

The Extra-Vascular Implantable Cardioverter Defibrillator (EV ICD) procedure will map to the same MS-DRGs as all other ICDs (275-277 Cardiac Defibrillator Implant). This results in inpatient payment parity for all ICD implants: transvenous ICDs, S-ICDs, CRT-Ds and EV ICD.



Changes to NTAP policies

To improve the completeness of submitted NTAP applications, improve CMS's ability to provide a fuller analysis to identify eligibility concerns and allow the public the opportunity to more knowledgeably analyze applications and supporting data to provide public comment.

Beginning with the **FY 2025** application cycle...

NTAP applicants for technologies not already FDA market authorized must have a **complete and active FDA market authorization application request at the time of NTAP application submission** and related materials will be publicly posted

.....

The FDA approval **deadline has been moved** from July 1st to May 1st

NTAP = New Technology Add-On Payment

FY2024 Hospital Inpatient Prospective Payment System (IPPS) and Long-Term Care Hospital Prospective Payment System (LTCH PPS) Final Rule - CMS-1785-F and CMS-1788-f Fact Sheet <https://www.cms.gov/newsroom/fact-sheets/fy-2024-hospital-inpatient-prospective-payment-system-ippss-and-long-term-care-hospital-prospective-0#:~:text=The%20IPPS%20pays%20hospitals%20for,in%20the%20hospital's%20geographic%20area>

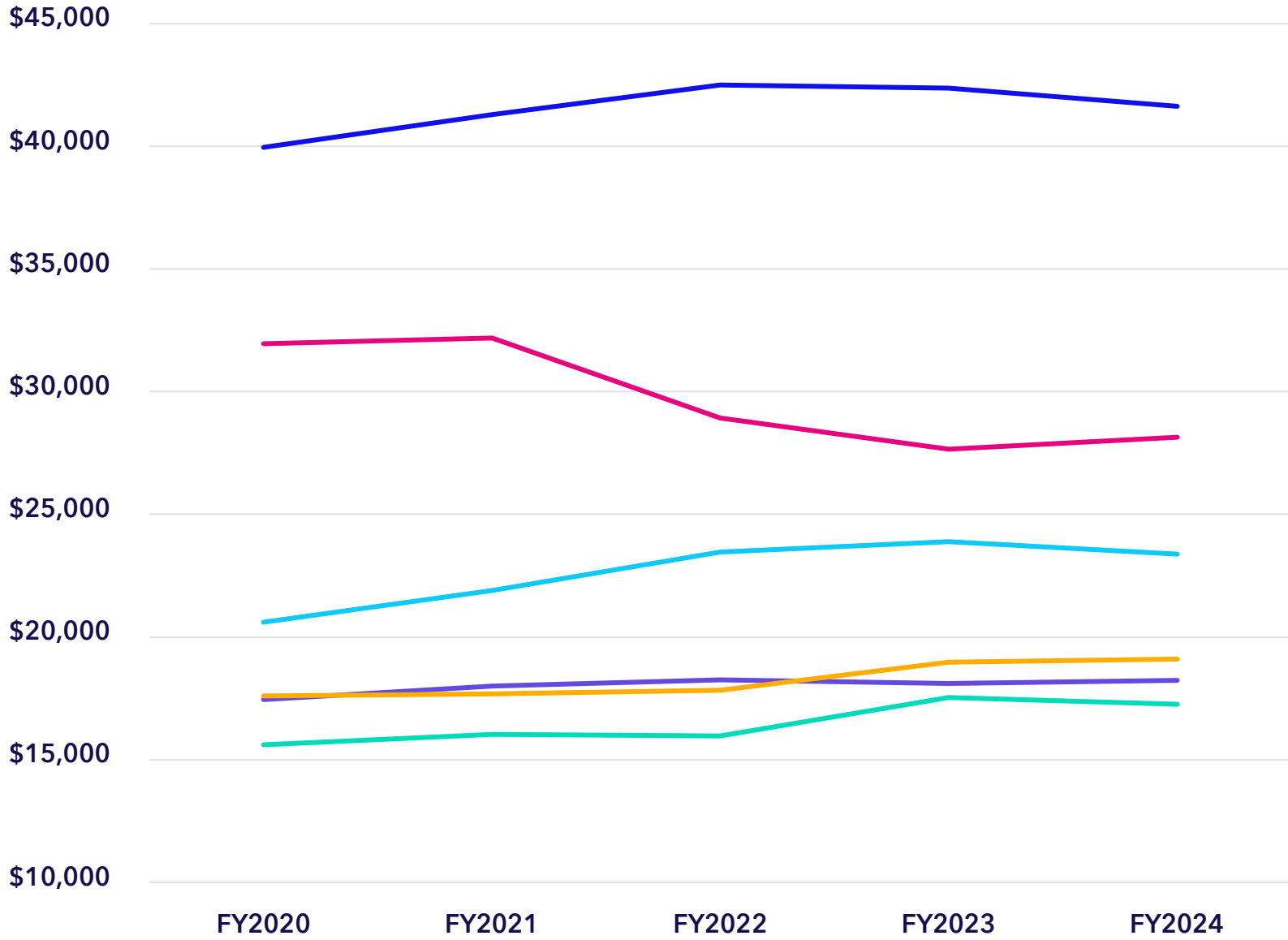


Medicare FY2024
IPPS national reimbursement
summary & rates

National average Medicare rates over time

CMS MS-DRG Payments FY2020-2024

This summary includes the national volume-weighted average rates across relevant MS-DRGs representing these procedures and the corresponding changes over time, from Federal Fiscal Year 2020 - 2024. These rates have increased slightly over this timeframe.



Rates represent the volume-weighted average rates across relevant DRGs representing these procedures.

Acute inpatient PPS, CMS <https://www.cms.gov/medicare/medicare-fee-for-service-payment/acuteinpatientpps>

IPPS rate changes for cardiac rhythm management and ablation therapies

FY2023 to FY2024

This highlights the percent of change in payment for major cardiac rhythm management, cardiac catheter ablation, and cardiac diagnostic service procedures between the IPPS 2023 payment year and 2024 payment year. This is a blend of all MS-DRGs associated with the typical case for the procedures listed. The following pages will walk through MS-DRG-specific changes. For information on which procedures fall into these MS-DRGs, please contact Medtronic Reimbursement Customer Support.

Transvenous pacemakers
& CRT-P systems

0.7%

Leadless pacemakers

1.7%

ICD & CRT-D systems

-1.7%

Cardiac catheter ablations

-2.1%

Ventricular assist devices

-0.8%

Subcutaneous cardiac
rhythm monitors

-1.5%

(arrhythmia & syncope)

0.7%

(stroke)

Rates represent the volume-weighted average rates across relevant DRGs representing these procedures.

The IPPS FY2024 national payment rates are based on information published in the IPPS final rule CMS-1785-F and corresponding tables and data files which was published on August 1, 2023. IPPS Final Rule Home Page [cms.gov](https://www.cms.gov/medicare/acute-inpatient-pps/fy-2024-ipp-final-rule-home-page) Updated August 2023. Accessed August 8, 2023.



Transvenous pacemakers

Insertion/Replacement

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
242	Permanent cardiac pacemaker implant w/ MCC	\$23,826	\$24,191	1.5%
243	Permanent cardiac pacemaker implant w/ CC	\$16,079	\$15,947	-0.8%
244	Permanent cardiac pacemaker implant w/o CC/MCC	\$13,041	\$12,809	-1.8%

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
258	Cardiac pacemaker device replacement w/ MCC	\$19,558	\$18,965	-3.0%
259	Cardiac pacemaker device replacement w/o MCC	\$13,679	\$13,069	-4.5%

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Transvenous pacemakers

Revision

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
260	Cardiac pacemaker revision except device replacement w/ MCC	\$23,999	\$23,212	-3.3%
261	Cardiac pacemaker revision except device replacement w/ CC	\$13,107	\$13,176	0.5%
262	Cardiac pacemaker revision except device replacement w/o CC/MCC	\$11,502	\$11,520	0.2%

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<https://www.cms.gov/medicare/acute-inpatient-pps/fy-2024-ipp-final-rule-home-page> Updated August 2023. Accessed August 8, 2023.

Leadless (intracardiac) pacemaker

Insertion

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
228	Other cardiothoracic procedures w/ MCC	\$33,806	\$35,279	4.4%
229	Other cardiothoracic procedures w/o MCC	\$22,643	\$22,262	-1.7%

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Implantable cardioverter defibrillators/CRT-D, including EV-ICD

Insertion

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
275	Cardiac defibrillator implant with cardiac catheterization and MCC	\$50,529	\$49,262	-2.5%
276	Cardiac defibrillator implant with MCC	\$43,907	\$43,481	-1.0%
277	Cardiac defibrillator implant without MCC	\$34,608	\$33,484	-3.2%

CMS has eliminated MS-DRGs 222-227 and is creating new MS-DRGs 275-276 (cardiac defibrillator implant) that do not subdivide by diagnosis code. ICD/CRT-D cases previously assigned to MS-DRGs 222 and 224 are assigned to MS-DRG 275, ICD/CRT-D cases previously assigned to MS-DRGs 226 are assigned to MS-DRG 276, and ICD/CRT-D cases previously assigned to MS-DRGs 223, 225, and 227 are assigned to MS-DRG 277.

Extra-vascular Implantable Cardioverter Defibrillator (EV-ICD) cases were previously assigned to MS-DRG 245 are now assigned to 275-277.

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Implantable cardioverter defibrillators

Generator and lead procedures

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
245	AICD generator procedures	\$33,447	\$31,727	-5.1%
265	AICD lead procedures	\$23,200	\$24,744	6.7%

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Cardiac catheter ablation

Percutaneous

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
273	Percutaneous and other intracardiac procedures w/ MCC	\$27,527	\$27,285	-0.9%
274	Percutaneous and other intracardiac procedures w/o MCC	\$23,044	\$22,691	-1.5%

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Mechanical circulatory support

Insertion/Removal

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
001	Heart transplant or implant of heart assist system w/ MCC	\$193,068	\$189,734	-1.7%
002	Heart transplant or implant of heart assist system w/o MCC	\$92,419	\$85,728	-7.2%

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
268	Aortic and heart assist procedures except pulsation balloon w/ MCC	\$47,473	\$47,994	1.1%
269	Aortic and heart assist procedures except pulsation balloon w/o MCC	\$29,333	\$29,117	-0.7%

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Subcutaneous cardiac rhythm monitor

For cardiac diagnoses

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
260	Cardiac pacemaker revision except device replacement w/ MCC	\$23,999	\$23,212	-3.3%
261	Cardiac pacemaker revision except device replacement w/ CC	\$13,107	\$13,176	0.5%
262	Cardiac pacemaker revision except device replacement w/o CC/MCC	\$11,502	\$11,520	0.2%

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Subcutaneous cardiac rhythm monitor

For use in patients with cryptogenic stroke

MS-DRG	MS-DRG description	FY 2023 national rate	FY2024 national rate	Percent of change
040	Peripheral, cranial nerve and other nervous system procedures w/ MCC	\$25,987	\$26,960	3.7%
041	Peripheral, cranial nerve and other nervous system procedures w/ CC or peripheral neurostimulator	\$16,038	\$15,618	-2.6%
042	Peripheral, cranial nerve and other nervous system procedures w/o CC/MCC	\$12,688	\$12,181	-4.0%

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Additional resources

Medtronic economic resources

Consult with Regional Economic Managers to access best-in-class healthcare economic tools and resources



U.S. reimbursement, health policy, and payment reform



Procedure and service line economics



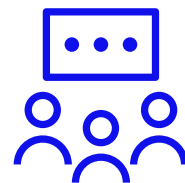
Disease state economics



Economic value of Medtronic technology



Value-based healthcare partnerships



Local market assessments

Visit our reimbursement website:
medtronic.com/crhfreimbursement

Contact the Reimbursement Customer Support team

Email:
rs.healthcareeconomics@medtronic.com


Phone:
866-877-4102
(8 a.m.-5 p.m. CT, M-F)

Medtronic

Reimbursement foundations

REIMBURSEMENT FOUNDATIONS VIDEO

Learn about Medicare hospital and physician coverage, coding, and payment at a high level, including CMS proposed and final rule timelines, and available resources.

[CLICK TO WATCH VIDEO](#) 

www.Medtronic.com/CRHFreimbursement



NEW

Educational video outlining:

- Reimbursement fundamentals
- Physician reimbursement
- Facility reimbursement
- Medtronic economic resources

C-code finder



Find C-codes by:

- Product name
- Model number
- Product category

www.Medtronic.com/crhfcodes



C-CODE FINDER CARDIAC RHYTHM AND HEART FAILURE

SEARCH FOR C-CODES

The Cardiac Rhythm and Heart Failure C-Code finder is a database of Medtronic CRHF products and their corresponding C-Codes. Search for C-Codes by product name, model number, C-Code, C-Code description, or product category. Export your results as a PDF or CSV file for future reference.

To see all CRHF C-Codes, search by product category, and select "All products" in the dropdown.

Sort your results by ascending or descending order by clicking on the arrows next to each column header. You can also filter results by exporting as an Excel-compatible CSV file and sorting in Excel.

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Stay updated

We are making improvements to our Medtronic cardiac rhythm, heart failure, cardiac ablation therapy, and cardiac diagnostics reimbursement website. In order to continue to receive up-to-date information about upcoming reimbursement educational opportunities, please complete the email sign up form linked below.



Sign up here: [Reimbursement educational email sign up form](#)

Appendix



Resource links



[CMS FY2024 IPPS Final Rule Home Page](#)



[CMS Coverage Policies: MCD Search](#)



[CMS ICD-10-CM/PCS MS-DRG v40 Definitions Manual](#)



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