Disclaimer: The materials and information cited here are for informational purposes only and are provided to assist in obtaining coverage and reimbursement for health care services. However, there can be no guarantee or assurances that it will not become outdated, without the notice of Medtronic, Inc., or that government or other payers may not differ with the guidance contained herein. The responsibility for coding correctly lies with the health care provider ultimately, and we urge you to consult with your coding advisors and payers to resolve any billing questions that you may have. All products should be used according to their labeling.

**PHYSICIAN CODING/REIMBURSEMENT**

Physicians use Current Procedural Terminology (CPT®) codes to report all of their services. These codes are uniformly accepted by all payers. Medicare and most indemnity insurers use a fee schedule to pay physicians for their professional services, assigning a payment amount to each CPT code. Under Medicare’s Resource-Based Relative Value Scale (RBRVS) methodology for physician payment, each CPT code is assigned a point value, known as the Relative Value Unit (RVU), which is then multiplied by a conversion factor to determine the physician payment. Many other payers use Medicare’s RBRVS fee schedule or a variation on it. Industrial or work-related injury cases are usually reimbursed according to the official fee schedule for each state. Use of CPT codes is governed by various coding guidelines published by the American Medical Association (AMA) and other major sources such as physician specialty societies. In addition, the National Correct Coding Initiative (NCCI), a set of CPT coding edits created and maintained by the Centers for Medicare and Medicaid Services (CMS), has become a national standard. The Divergence™ Anterior Cervical Plate and Bone Screw components are intended for anterior interbody screw fixation from C2-T1. The indications and contraindications of spinal instrumentation systems should be well understood by the surgeon. The plate and bone screw components are indicated for use in the temporary stabilization of the anterior spine during the development of spinal fusions in patients with: 1) degenerative disc disease (as defined by neck pain of discogenic origin with degeneration of the disc confirmed by patient history and radiographic studies), 2) trauma (including fractures), 3) tumors, 4) deformity (defined as kyphosis, lordosis, or scoliosis), 5) pseudoarthrosis, and/or 6) failed previous fusions.

The following CPT code may be appropriate for the implantation of the Divergence™ Anterior Cervical Fusion System:

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description</th>
<th>RVU</th>
<th>2018 Medicare Payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>+22853</td>
<td>Insertion of interbody biomechanical device(s) (eg, synthetic cage, mesh) with integral anterior instrumentation for device anchoring (eg, screws, flanges), when performed, to intervertebral disc space in conjunction with interbody arthrodesis, each interspace (List separately in addition to code for primary procedure)</td>
<td>7.29</td>
<td>$262.44</td>
</tr>
</tbody>
</table>

In addition, the following instrumentation CPT code may be appropriate for the implantation of the Divergence™ Anterior Cervical Fusion System plates and bone screws:

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description</th>
<th>RVU</th>
<th>2018 Medicare Payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>+22845</td>
<td>Anterior instrumentation; 2 to 3 vertebral segments</td>
<td>21.35</td>
<td>$768.59</td>
</tr>
</tbody>
</table>


Coding of Anterior Instrumentation

A separate anterior instrumentation CPT code is not recommended for the insertion of interbody devices with integral anterior instrumentation for device anchoring; however, guidance indicates that there are circumstances where additional non-integral fixation may be coded separately. CPT Assistant states “The device anchoring is not the same as anterior instrumentation, which is reported separately when performed. Anterior instrumentation of the spine is denoted by the ability of the instrumentation to stabilize the spinal segment(s) as a standalone device without the cage present, such as with anterior cervical plating or anterior rod system fixation.” -AMA CPT Assistant, March 2017

Given that the interbody device and anterior plate of the Divergence™ Anterior Cervical Fusion System can be implanted separately and/or used independently of one another and that the cervical plate/bone screws are intended for stabilization, the above coding guidance implies that both codes may be reported when using this system.

Payers may require the use of NCCI-associated modifiers with +22845 (e.g., Distinct Procedural Service Modifier 59) for circumstances where a provider performs additional anterior instrumentation unrelated to anchoring the interbody device.

FACILITY REIMBURSEMENT

Hospital Inpatient Reimbursement

Medicare uses the Medicare Severity-DRG (MS-DRG) payment methodology to reimburse hospitals for inpatient services. Each inpatient stay is assigned to one payment group, based on the ICD-10-CM and ICD-10-PCS codes assigned to the major diagnoses and procedures. Each DRG group has a flat payment rate which bundles the reimbursement for all services and devices the patient received during the inpatient stay. Other payers may also use DRGs or a variation on them, but many payers pay the hospital on a contractual basis (i.e., case rate or per diem rate) that has been negotiated between the hospital and the payer.

ICD-10-PCS Procedure Codes

The Divergence™ Anterior Cervical Fusion System is indicated for use in an ACDF procedure. In the ICD-10-PCS coding system insertion of interbody devices is included in the 6th character device value of the primary procedure code, and not coded separately. In addition, spinal instrumentation (e.g. rods, plates, screwes) is included in the primary fusion code and not reported separately, so there is no code for use of the anterior plate component of the Divergence™ Anterior Cervical Fusion System.

Diagnosis-Related Groups (DRGs)

The Divergence™ Anterior Cervical Fusion System is used as an adjunct to fusion of the cervical spine. Cervical spinal fusions are typically grouped to the following DRGs:
FY2018 Medicare Severity—Diagnosis Related Group (MS-DRG) Assignment

<table>
<thead>
<tr>
<th>MS-DRG</th>
<th>Description*</th>
<th>MDC</th>
<th>Relative Weight*</th>
<th>2018 Medicare Payment*</th>
</tr>
</thead>
<tbody>
<tr>
<td>28</td>
<td>SPINAL PROCEDURES W MCC</td>
<td>01</td>
<td>5.5586</td>
<td>$33,499</td>
</tr>
<tr>
<td>29</td>
<td>SPINAL PROCEDURES W CC OR SPINAL NEUROSTIMULATORS</td>
<td>01</td>
<td>3.2737</td>
<td>$19,729</td>
</tr>
<tr>
<td>30</td>
<td>SPINAL PROCEDURES W/O CC/MCC</td>
<td>01</td>
<td>2.1333</td>
<td>$12,856</td>
</tr>
<tr>
<td>453</td>
<td>COMBINED ANTERIOR/POSTERIOR SPINAL FUSION W MCC</td>
<td>08</td>
<td>9.7411</td>
<td>$58,705</td>
</tr>
<tr>
<td>454</td>
<td>COMBINED ANTERIOR/POSTERIOR SPINAL FUSION W CC</td>
<td>08</td>
<td>6.4968</td>
<td>$39,153</td>
</tr>
<tr>
<td>455</td>
<td>COMBINED ANTERIOR/POSTERIOR SPINAL FUSION W/O CC/MCC</td>
<td>08</td>
<td>5.0782</td>
<td>$30,604</td>
</tr>
<tr>
<td>471</td>
<td>CERVICAL SPINAL FUSION W MCC</td>
<td>08</td>
<td>4.9187</td>
<td>$29,642</td>
</tr>
<tr>
<td>472</td>
<td>CERVICAL SPINAL FUSION W CC</td>
<td>08</td>
<td>2.8534</td>
<td>$17,196</td>
</tr>
<tr>
<td>473</td>
<td>CERVICAL SPINAL FUSION W/O CC/MCC</td>
<td>08</td>
<td>2.2916</td>
<td>$13,810</td>
</tr>
</tbody>
</table>

Under the MS-DRG system, cases may be assigned to a number of other MS-DRGs, based on individual patient diagnosis and presence or absence of additional surgical procedures performed. Additional MS-DRGs include but are not limited to: MS-DRGs 907, 908, 909; MS-DRGs 957, 958, 959; and MS-DRGs 981, 982, 983.

* MCC – Major Complication and/or Comorbidity. CC – Complication and/or Comorbidity.

Source: FY2018 Medicare Hospital Inpatient Prospective Payment System, Final Rule. Federal Register, August 14, 2017. Assumes payment for a hospital with a wage index and geographic adjustment factor of 1.000 and submitted quality data is a meaningful EHR user.

Hospital Outpatient & ASC Reimbursement

Hospitals use the Healthcare Common Procedure Coding System (HCPCS) to report outpatient services. Under Medicare’s methodology for hospital outpatient payment, each HCPCS code is assigned to one Ambulatory Payment Classification (APC). Each APC has a relative weight which is multiplied by a conversion factor to determine the hospital payment. An APC and a payment amount are assigned to each significant service. Although some services are bundled and not separately payable, total payment to the hospital is the sum of the APC amounts for the services provided during the outpatient encounter. Medicare’s ASC payment methodology is based on the hospital outpatient APCs, but using payments unique to ASCs.

When reporting Divergence™ Anterior Cervical Fusion System instrumentation in addition to CPT codes 22551 or 22554 in the Medicare hospital outpatient setting, the claim should also include a HCPCS II C-code such as C1889, Implantable/insertable device for device intensive procedure, not otherwise classified.

Status Indicators:

Each HCPCS code in the Outpatient Prospective Payment System (OPPS) is assigned a status indicator to signify certain APC rules. The following status indicators are represented in these procedures:

N     Paid under OPPS; payment is packaged into payment for other services. Therefore, there is no separate APC payment.

N1    Packaged service/item; no separate payment made.

CODING AND REIMBURSEMENT ASSISTANCE

SpineLine™
Provides coding, billing and reimbursement assistance for procedures performed using Medtronic products.

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For more information visit www.myspinetools.com

For additional reimbursement information contact the SpineLine™ Coding and Reimbursement Support Line at (877) 690-5353.

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