NATIONAL ASSOCIATION OF EPILEPSY CENTERS
NAEC

ANNUAL PRESIDENT'S REPORT
DECEMBER 2004

Recognition of Epilepsy Centers

Since its establishment in 1987, the National Association of Epilepsy Centers has looked for opportunities to promote the comprehensive specialized services provided by epilepsy centers and to improve coverage and payment for these services by both public and private insurers. These efforts have taken the Association in many directions, including the establishment of CPT codes and relative values, Medicare coverage policies, and public health programs to encourage early intervention, accurate diagnosis and comprehensive treatment for patients with epilepsy. This year, two efforts were initiated that the NAEC Board believes will be important in maintaining the quality and effectiveness of specialized epilepsy centers: 1) *US News and World Report* recognition of level 4 epilepsy centers in its "Best Hospitals" edition, which ranks hospital neurology and neurosurgery departments; and 2) Discussions with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) on the potential for certification of epilepsy centers.

US News and World Report

As most of you are aware, *US News and World Report*, "Best Hospitals 2004" edition published July 12, 2004, included Level 4 epilepsy centers as a key component in ranking hospitals with superior neurology and neurosurgery departments. In addition to an epilepsy center, the other elements used to rank neurology/neurosurgery departments included number of patients discharged, mortality rates, R.N. to patient ratio, specialized technologies and patient services and trauma centers.

NAEC provided *US News* the "Guidelines for Essential Services, Personnel, and Facilities in Specialized Epilepsy Centers in the United States," (*Epilepsia*, 42(6): 804-814,2001) and explained to the reporter that currently, NAEC followed a self-designation process. With a short turnaround time to meet the magazine's deadline, NAEC distributed a self-designation survey, based on the guidelines to all members. About 50% of the membership responded to the survey. The *US News* publication reflected the survey results. NAEC has been asked to provide this information for 2005 and will be resurveying the membership in January.

JCAHO

NAEC has initiated discussions with the Joint Commission on Accreditation of Healthcare Organizations (JCAHO) on its new certification program for disease-specific care and its potential application to epilepsy centers. The JCAHO certification program evaluates disease management and chronic care services provided by hospitals, health plans and disease management services by assessing:

1. Compliance with relevant quality standards;
2. Effective use of clinical practice guidelines to manage and optimize care;
3. Use of outcomes measurement leading to performance improvement.

The NAEC Board has agreed to move forward with JCAHO in developing a disease-specific certification program for epilepsy centers. The Board felt that certification would recognize the quality standards of the Association's centers and provide a competitive advantage in the eyes of health plans, employers and potential patients.

Summary of NAEC Activities for 2004

NAEC has focused its efforts this year on coding, reimbursement and public health strategies of importance to comprehensive epilepsy centers. The Association worked directly with the Department of Health and Human Services and its agencies such as the Centers for Medicare and Medicaid Services, the Centers for Disease Control and Prevention (CDC) and the National Institutes of Health (NIH). In addition, NAEC has reached out to private insurers and local Medicare carriers to educate these organizations about the specialized services provided by centers. NAEC continues to work closely with the American Academy of Neurology (AAN) and the American Association of Neurological Surgeons (AANS) on coding and the development of relative values and with Epilepsy Foundation on Medicare and public health issues of importance to people living with epilepsy. With the development and expansion of NAEC's website and more frequent mailings, the Association is providing its members greater access to important information on a timely basis.

Coding - Vignettes

NAEC is frequently contacted by both insurers and practicing epileptologists interested in more information related to physician services provided in the evaluation of patients with epilepsy. For this reason, the NAEC Board drafted a document that provides a definition and clinical vignette for most of the specialized services provided in an epilepsy center. The Board believes that this document would be useful to the membership in working with insurers locally and for other educational purposes. In addition, NAEC plans to distribute the document to Medical Directors of the national private insurance companies and each of the local Medicare Carrier Medical Directors, since this information is not included in the AMA database used by CMS. NAEC greatly appreciates the review and comments made, without remuneration, by Dr. Satya-Murti, a neurologist and the Carrier Medical Director for Kansas. The document will be distributed to the membership shortly after the new year and will be found on the NAEC website.

2005 Medicare Physician Fee Schedule

On November 15, the Centers for Medicare and Medicaid Services (CMS) published the final physician fee schedule for 2005. The complete rule can be found at http://www.cms.hhs.gov/physicians/pfs/default.asp. As mandated by Congress, the conversion factor for 2005 increased by 1.5% to $37.90. Attachment 1 shows the change in Relative Value Units (RVUs) and the payment for epilepsy-related codes.

Payment for most epilepsy services will increase in 2005. The largest increases will take place in the neurostimulator codes (95970-95975). Payment for 95970 will be $50.41, up 104.54% from 2004, while codes 95971-95975 will increase 20 percent on average.

Additionally, some changes were made in the geographic indices. Most locality payments will change less than 1 percent up or down; however, several California areas will see increases of 2-3 percent with a similar change being made in 2006. Medicare

will also offer a 5 percent quarterly incentive payment to doctors practicing in "physician scarcity areas". A listing of these areas can be found at www.cms.hhs.gov/providers/bonuspayment.

2005 Medicare Hospital Outpatient Prospective Payment System
On November 15, the Centers for Medicare and Medicaid Services (CMS) published the final hospital outpatient prospective payment system for 2005. The complete rule can be found at http://www.cms.hhs.gov/providers/hopps/2005p/1427p.asp. Attachment 2 compares the 2005 proposed payments to the 2004 Ambulatory Payment Classification (APC) rates for epilepsy services.

Under HOPPS, hospitals are reimbursed a facility fee for all outpatient services. Payments are made by categories of services known as ambulatory payment classifications (APCs), which group services by clinical and resource cost similarities. All services in an APC are reimbursed at the same rate. The physician bills separately for the professional component of each service provided.

There is an overall inflationary increase of 3.3 percent in total Medicare payments for hospital outpatient department services. However, the actual payments for individual procedures may be substantially more or less than this increase. This is because the APC rates are based on median hospital costs derived from hospital charges which will fluctuate greatly year to year.

CMS will institute a change in the payment system used for handling outlier cases. An outlier is an individual case that costs a hospital substantially more than the APC payment rate. For 2005, CMS proposes to pay an additional payment for cases, which exceed 1.5 times the APC rate. However, only cases which also exceed the APC rate + $625 will be eligible for the outlier payment. This additional payment would be equal to 50 percent of the difference between APC payment and the cost.

Medicare Coverage of Clinical Trials
The Medicare Modernization Act authorized Medicare to cover the routine costs for services associated with certain clinical trials involving Category A devices. Category A trials have to do with investigational or experimental devices about which the Food and Drug Administration has questions about safety and effectiveness. In the past, doctors have hesitated to enroll patients in these clinical trials for fear of not being reimbursed by Medicare. The Physician Fee Schedule for 2005 final rule implements the new coverage policy, specifying that for trials initiated before January 1, 2010, the devices involved in these trials must be intended for use in the diagnosis, monitoring, or treatment of an immediately life-threatening disease or condition. Further guidance on this coverage policy will be provided through an implementation instruction that is yet to be issued. NAEC will make this information available to the membership once it is released.

USP Comments
In establishing Medicare coverage for outpatient drugs, the Medicare Modernization Act directed the United States Pharmacopeia (USP) to develop model guidelines – drug categories and classes - that drug plans may use in designing formularies. The original USP draft would have resulted in a health plan only having to include two antiepileptic drugs of any type on its formulary. As part of the development process USP held public meetings to discuss their guidelines related to drug classes. Greg Barkley, MD, FAAN, Vice President of NAEC, and Chair of the Epilepsy Foundation's Professional Advisory

Board, testified before USP in opposition to the draft guidelines and proposed an alternative system classifying the drugs by major mechanism of action. This would allow for the inclusion of the newer AEDs in health plan formularies. In addition, NAEC co-signed comments on the USP proposed categories for epilepsy drugs drafted by the Epilepsy Foundation (Attachment 3).

Private Insurance – Ingenix

Because epilepsy center services represent a relatively low volume of services for most insurers, much of the data used to calculate the payment levels for epilepsy services is inadequate or incorrect. While NAEC has worked in the past with private companies that establish relative values for physician services, this year NAEC contacted Ingenix, one of the primary companies that is used by private insurers to develop payment levels for physician services. Ingenix staff responsible for the development of physician fee schedules have agreed to meet with representatives of NAEC to determine if there are ways to improve the data used to calculate payment for specialized epilepsy services. The NAEC Board hopes to meet with Ingenix staff after the new year.

CDC Epilepsy Program

The Centers for Disease Control's Epilepsy Program, with an annual budget of about $8 million, is continuing its efforts to improve care and treatment, communications, self-management, epidemiologic and prevention research, and increasing public awareness and knowledge about epilepsy. NAEC Officers, Robert J. Gumnit, MD and David Labiner, MD, traveled to the CDC this year to meet with the Director of the Chronic Disease Center and other staff involved with the Epilepsy Program to discuss public health issues of importance to epilepsy centers and next steps in implementing the recommendations of the July 2003 "Living Well with Epilepsy" Conference. Attachment 4 is an updated overview of Epilepsy Program's activities.

Health Resources and Services Administration (HRSA) – Access to Epilepsy Care Grants

The Epilepsy Foundation successfully advocated for a new grant program to improve access to epilepsy care for children in medically underserved areas. Congress appropriated $3 million in 2004 and an additional $3 million in 2005 for the program. Grants were awarded in September in three categories:

1. Statewide demonstration project grants were awarded to Medical College of Wisconsin, Children's Hospital of Los Angeles, University of West Virginia, District of Columbia Department of Health, Easter Seals of Oregon and the Epilepsy Foundation to improve access to health care in medically underserved areas.
2. A grant was awarded to the National Initiative for Children's Healthcare Quality to identify and implement quality measures in epilepsy care in support of the statewide demonstration projects.
3. A grant was awarded to the Epilepsy Foundation to develop a national public education and awareness campaign directed toward racial and ethnic populations to improve access to care.

NAEC has been in contact with the HRSA staff responsible for the new program to make then aware of the Association, the resources it can provide in the development of quality measures, as well a list of individual centers that could become involved in the statewide

demonstrations. NAEC will provide its members additional information on the program and opportunities for collaboration, as it becomes available.

Objectives for 2005

In 2005, priority will be placed on further exploring the certification of epilepsy centers by JCAHO and working with Ingenix to improve the data used to develop private insurance fee schedules. NAEC will also continue its efforts to:

- Aggressively advocate for improved Medicare and private insurance reimbursement for epilepsy services, including physician services, hospital outpatient department payments and improved coverage for inpatient hospital care and new technologies.

- Provide membership with coding and reimbursement information as well as other legislative and regulatory information affecting comprehensive epilepsy care.

- Work with the Health Resources and Services Administration and its grantees to carry out statewide demonstration projects to improve access to epilepsy services for medically underserved children, by taking part in the development of quality measures and facilitating individual epilepsy center participation in the statewide projects.

- Participate in activities carried out by CDC's epilepsy program, including further advocacy of the epilepsy specifications for Medicaid managed care contracts and follow-up efforts to the "Living Well with Epilepsy II" conference.

- Identify areas and projects of mutual interest to pursue in collaboration with other epilepsy organizations.

- Advocate for increased Federal support for epilepsy programs and health care policies benefiting people with epilepsy.

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