



# Society of Nuclear Medicine

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## WHO WE ARE

The Society of Nuclear Medicine (SNM) is an international scientific and professional organization founded in 1954 to promote the science, technology, and practical application of nuclear medicine. The society's 13,000 members are physicians, technologists, and scientists specializing in the research and practice of nuclear medicine.

## TOP PRIORITIES IN 2001

- Develop and expand educational offerings
- Make these educational offerings available to the entire medical community performing nuclear medicine procedures

From the design and formulation of new gamma-emitting imaging agents to the use of radiolabeled antibodies in cancer treatment, the diagnostic and therapeutic applications of nuclear medicine for the oncology patient are rapidly increasing and will continue to grow in the new millennium. Unfortunately, regulatory and reimbursement issues threaten

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access to new and promising technologies. Under Medicare, all radiopharmaceuticals used in the office or the hospital outpatient setting may be reimbursed separately from the primary imaging or therapy procedure. Radiopharmaceutical costs under the hospital outpatient prospective payment system (HOPPS), more commonly known as ambulatory payment classifications (APCs), are currently reimbursed on the basis of 95 percent of the average wholesale price (AWP). Such reimbursement will likely occur for only two years, at which time costs will be rolled back into the allowed reimbursement for the procedure APC, which will be based on the frequency and cost data reported during 2000 and 2001.

SNM is working with institutions and individuals in clinical research to facilitate application and acquisition of appropriate codes for clinical practice. Nearly all radiopharmaceuticals have individual HCPCS/APC numbers, and reimbursement is based on the AWP as listed in the *Redbook*. Unfortunately, the allowed reimbursement for radiopharmaceuticals is not adequate for some procedures (such as therapy for bone metastases, APC 792). The society urges all hospitals to report each and every radiopharmaceutical with the correct code identifier for each procedure, so that accurate data will be available for calculation of the eventual cost of the radiopharmaceutical into the procedure APCs.

The society is concerned about the time delay between approval of a new drug or procedure and payment. Once approved by the Food and Drug Administration (FDA), a new radiolabeled agent for imaging or therapy may be introduced into clinical use. Radiopharmaceutical

innovations reach the market sooner due to the FDA's Modernization and Accountability Act of 1997. That Act provides for a less bureaucratic process of developing and bringing new technology and radiopharmaceutical drugs to market. Once a product has received FDA approval, it may receive a HCPCS II identifier and allowed cost based on its published AWP. However, if the product is part of a new procedure, it may be two to three years before that new procedure acquires its own distinct HCPCS I code. Application for a new CPT procedure code must await FDA approval for all radiopharmaceuticals and devices used for that procedure. Unfortunately, it may take up to three years to get through that process.

SNM will continue to work with the Health Care Financing Administration (HCFA) and other payers to keep them informed about clinical indications for established as well as new technologies. For example, positron emission tomography (PET), which has been available in academic medical institutions for more than three decades, has been approved only recently for a rather limited number of clinical indications by HCFA. The recordkeeping and special coding requirements imposed by HCFA for PET studies are causing major work for hospital billing and coding departments. SNM and the Institute for Clinical PET have worked to move PET into the HCFA mainstream to reduce that burden. On Dec. 18, 2000, HCFA issued a national coverage decision broadly expanding Medicare reimbursement for PET scans to allow older Americans greater access to this diagnostic modality. ☐