

2023 Coding and Billing Guide



Disclaimer: This information is for educational/informational purposes only and should not be construed as authoritative. The information presented here is current as of January 2023 and is based upon publicly available source information. Codes and values are subject to frequent change without notice. The entity billing Medicare and/or third party payors is solely responsible for the accuracy of the codes assigned to the services or items in the medical record. When making coding decisions, we encourage you to seek input from the AMA, relevant medical societies, CMS your local Medicare Administrative Contractor and other health plans to which you submit claims. Items and services that are billed to payors must be medically necessary and supported by appropriate documentation. It is important to remember that while a code may exist describing certain procedures and/or technologies, it does not guarantee payment by payors.

HCPCS and CPT coding is universal, however, coverage and payment of medical and surgical services can vary among government (Medicare, Medicaid, TRICARE) and private health insurance companies. The procedures described in this reimbursement guide are widely covered by government and commercial insurers when MiroFlex Biologic Matrix is applied in hospitals (both in and outpatient), ambulatory surgery centers (ASCs) and clinic-based practices. Accurate coding is important to guide how MiroFlex and the surgical procedures it is used with are covered and paid appropriately. Commercial insurer payment methodologies and payment levels will vary from Medicare and other government payers. It is not possible to capture all insurers' payment methodologies in this guide. Providers should contact their patients' insurers directly to obtain information on unique billing, coverage and payment requirements.

Reprise Biomedical

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Customer Service: 952-377-8238 customerservice@reprisebio.com



MiroFlex[®] Biologic Matrix is intended to be implanted to reinforce soft tissue, and is also intended for implantation to reinforce soft tissue where weakness exists in patients requiring soft tissue repair or reinforcement in plastic and reconstructive surgery. See Instructions For Use (IFU) for full prescribing information, including indications, contraindications, precautions, and potential complications.

MiroFlex is a biological matrix for soft tissue reinforcement used by surgeons in hernia repair. MiroFlex is manufactured using Reprise Biomedical's proprietary technology, a method to decellularize whole or partial organs and tissues. The technology is based on removing cells while maintaining an extracellular matrix or scaffold with its original architecture and an extensive natural vascular network. MiroFlex was originally cleared for marketing by FDA under the 510(k) program (K134033).

MiroFlex Ordering Information

| SIZE (cm) | TOTAL CM ² |
|-------------|--|
| 6cm x 8cm | 48 |
| 8cm x 8cm | 64 |
| 10cm x 10cm | 100 |
| 8cm x 16cm | 128 |
| 10cm x 16cm | 160 |
| 10cm x 20cm | 200 |
| | 6cm x 8cm 8cm x 8cm 10cm x 10cm 8cm x 16cm 10cm x 16cm |

PLACING AN ORDER Email: customerservice@reprisebio.com Phone: 952-377-8238 or Fax: 952-856-5085

Winter Shipping (October 1st - April 30th):

- All orders (Monday Friday) ship FedEx2Day (The customer can elect to have product shipped FedEx Priority Overnight and pay the shipping difference)
- Thursday shipments will be delivered on Monday
- Friday shipments will be delivered on Tuesday

Summer Shipping (May 1st - September 30th):

- All orders ship FedEx Priority Overnight, at no extra charge to the customer.
- No Friday shipments unless Saturday delivery is requested, available, and paid for by the customer.

Billing questions: ap@reprisebio.com or Phone: 763-284-6771

Product Coding

MiroFlex Biologic Matrix does not hold a product-specific HCPCS code. The following codes are options for providers to specifically identify MiroFlex Biologic Matrix.

| HCPCS CODE | |
|------------|--------------------------------|
| HCPCS | DESCRIPTION |
| A4649 | Surgical Supply, Miscellaneous |

REVENUE CODE

Revenue codes are 4-digit numbers used on a hospital bill to provide detail on where a patient received treatment or type of item received.

| REVENUE CODE | DESCRIPTION |
|--------------|---------------|
| 278 | Other implant |

Recommendations only. Providers are encouraged to check internal Coding and Charge Master guidance and SOPs for appropriate billing of all procedures and products provided.

Important Billing Instructions:

MiroFlex is not included on the Medicare Part A and B Average Sales Price (ASP) File published quarterly by the Centers for Medicare and Medicaid Services (CMS)

- ASP information is published quarterly by the Centers for Medicare and Medicaid Services (CMS) in the ASP Medicare Part B Drug Pricing File or Not Otherwise Classified (NOC) Pricing File. Providers are encouraged to review the ASP Pricing files posted quarterly by CMS and listed by the HCPCS on CMS.gov
- The payment allowance limits for drugs and biologicals that are not included in the ASP Medicare Part B Drug
 Pricing File or Not Otherwise Classified (NOC) Pricing File, are based on the published Wholesale Acquisition
 Cost (WAC) or invoice pricing. In determining the payment limit based on WAC, the contractors follow the
 methodology specified in Publication. 100-4, Chapter 17, Drugs and Biologicals, for calculating the AWP, but
 substitute WAC for AWP.
- Providers should check with local payers to determine if an invoice is required to be submitted with the claim in Box 19.
- Providers should check with local payers regarding appropriate use of modifiers.

Use either JW or JZ Modifiers to detail wastage or lack of wastage:

Providers and suppliers are required to report the JW or JZ modifier on Medicare Part B drug claims for discarded drugs and biologicals. Also, providers and suppliers must document the amount of discarded drugs or biologicals in Medicare beneficiaries' medical record including:

- Date, time, and location of ulcer treated
- Name of skin substitute and how product supplied
- Approximate amount of product unit used
- Approximate amount of product unit discarded
- Reason for the wastage
- Manufacturer's serial/lot/batch or other unit identification number on graft material

The amount discarded should be billed on a separate line with the JW modifier. The unit field should reflect the amount of tissue discarded. The modifier is not required if no discarded portion is being billed to any payer. (Please refer to: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9603.pdf and the FAQs at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/JWModifier-FAQs.pdf).

Use modifier JZ on billing claims to attest there was no discarded amount from the single-dose vial or single-use package that is normally paid under Part B. Reference (IOM 100-4 Chapter 17, Sections 40-40.1) or page 621 of the CMS CY2023 OPPS/ASC Final Rule: https://public-inspection.federalregister. gov/2022-23918.pdf.

Place-of-Service Codes¹

Place-of-service codes are 2-digit numbers included on health care professional claims to indicate the setting in which a service was provided. The Centers for Medicare and Medicaid Services (CMS) maintain place-of-service codes used throughout the health care industry. Listed below are place-of-service and descriptions that typically apply to our products. These codes should be used on professional claims to specify the entity where service(s) were rendered. Check with individual payors for reimbursement policies regarding these codes.

| PLACE-OF-SERVICE CODE | PLACE-OF-SERVICE NAME | PLACE-OF-SERVICE DESCRIPTION |
|-----------------------|----------------------------|--|
| 11 | Office | Location other than hospital, skilled nursing facility (SNF), military treatment facility, community health center, State or Local public health clinic, or intermediate care facility (ICF), where the health professional routinely provides health examinations, diagnosis, and treatment of illness or injury on an ambulatory basis. |
| 12 | Home | Location other than a hospital or other facility, where the patient receives care in a private residence. |
| 21 | Inpatient Hospital | A facility, other than psychiatric, which primarily provides diagnostic, therapeutic (both surgical and nonsurgical) and rehabilitation services by, or under, the supervision of physicians to patients admitted for a variety of medical conditions. |
| 22 | Outpatient Hospital | A portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization. Description change effective January 1, 2016. |
| 24 | Ambulatory Surgical Center | A freestanding facility, other than a physician's office, where surgical and diagnostic services are provided on an ambu- latory basis. |

ICD-10-CM Diagnosis Codes¹

The ICD-10[®]-CM codes listed below represent some of the etiology diagnosis codes commonly associated with causes of hernia repair. This is not meant to be an exhaustive list.

| ICD-10-CM | DESCRIPTION |
|-----------------|--|
| K40.00 | Bilateral inguinal hernia, with obstruction, without gangrene, not specified as recurrent |
| K40.01 | Bilateral inguinal hernia, with obstruction, without gangrene, recurrent |
| K40.10 | Bilateral inguinal hernia, with gangrene, not specified as recurrent |
| K40.11 | Bilateral inguinal hernia, with gangrene, recurrent |
| K40.20 | Bilateral inguinal hernia, without obstruction or gangrene, not specified as recurrent |
| K40.21 | Bilateral inguinal hernia, without obstruction or gangrene, recurrent |
| K40.30 | Unilateral inguinal hernia, with obstruction, without gangrene, not specified as recurrent |
| K40.31 | Unilateral inguinal hernia, with obstruction, without gangrene, recurrent |
| K40.40 | Unilateral inguinal hernia, with gangrene, not specified as recurrent |
| K40.41 | Unilateral inguinal hernia, with gangrene, recurrent |
| K40.90 | Unilateral inguinal hernia, without obstruction or gangrene, not specified as recurrent |
| K40.91 | Unilateral inguinal hernia, without obstruction or gangrene, recurrent |
| K41.00 | Bilateral femoral hernia, with obstruction, without gangrene, not specified as recurrent |
| K41.01 | Bilateral femoral hernia, with obstruction, without gangrene, recurrent |
| K41.10 | Bilateral femoral hernia, with gangrene, not specified as recurrent |
| K41.11 | Bilateral femoral hernia, with gangrene, recurrent |
| K41.20 | Bilateral femoral hernia, without obstruction or gangrene, not specified as recurrent |
| K41.21 | Bilateral femoral hernia, without obstruction or gangrene, recurrent |
| K41.30 | Unilateral femoral hernia, with obstruction, without gangrene, not specified as recurrent |
| K41.31 | Unilateral femoral hernia, with obstruction, without gangrene, recurrent |
| K41.40 | Unilateral femoral hernia, with gangrene, not specified as recurrent |
| K41.41 | Unilateral femoral hernia, with gangrene, recurrent |
| K41.90 | Unilateral femoral hernia, with guilgiene, recurrent |
| K41.90 | Unilateral femoral hernia, without obstruction or gangrene, recurrent |
| K41.91 K42.0 | Umbilical hernia with obstruction, without gangrene |
| K42.1 | Umbilical hernia with gangrene |
| K42.9 | Umbilical hernia with guigerie Umbilical hernia without obstruction or gangrene |
| K42.0 | Incisional hernia with obstruction, without gangrene |
| K43.1 | Incisional hernia with gangrene |
| K43.2 | Incisional hernia with galgiene |
| K43.3 | Parastomal hernia with obstruction, without gangrene |
| K43.4 | Parastomal hernia with gangrene |
| K43.5 | Parastomal hernia without obstruction or gangrene |
| K43.5 K43.6 | Other and unspecified ventral hernia with obstruction, without gangrene |
| K43.7 | Other and unspecified ventral hernia with obstruction, without gangrene |
| K43.7 K43.9 | Ventral hernia without obstruction or gangrene |
| K43.9 K44.0 | Diaphragmatic hernia with obstruction, without gangrene |
| K44.0 K44.1 | Diaphragmatic hernia with obstraction, without gangrene |
| K44.1 K44.9 | Diaphragmatic hernia with gangrene Diaphragmatic hernia without obstruction or gangrene |
| K44.9 K45.0 | Other specified abdominal hernia with obstruction, without gangrene |
| K45.0 K45.1 | Other specified abdominal hernia with obstruction, without gangrene Other specified abdominal hernia with gangrene |
| K45.1 K45.8 | |
| | Other specified abdominal hernia without obstruction or gangrene |
| K46.0 | Unspecified abdominal hernia with obstruction, without gangrene |
| K46.1 | Unspecified abdominal hernia with gangrene |
| K46.9 | Unspecified abdominal hernia without obstruction or gangrene |
| Q40.1 | Congenital hi atus hernia |
| Q79.0 | Congenital diaphragmatic hernia |
| Q79.51 | Congenital hernia of bladder |

1. The International Classification of Diseases Clinical Modification Edition 9 is developed by the National Center for Health Statistics (NCHS). ICD-9 CM and ICD-10 CM are copyrighted buy the World Health Organization. WHO is the copyright holder of ICD-10, and can grant licenses for the use of ICD-10 worldwide for comercial and non-commercial uses.

ICD-10-CM Procedure Coding¹

Hospital inpatient procedures are billed with ICD-10 CM Procedure Codes. These procedure codes are mapped to specific Diagnosis Related Groups (DRGs) for payment. Private payor claims processing protocol can vary, but often use the same DRG Grouper as Medicare resulting in assignment to the same DRGs.

NOTE: This list is not all inclusive. These procedure codes, when combined with appropriate ICD-10 CM diagnosis codes are typically mapped to DRGs for payment. The ICD-10 PCS system provides greater granularity in the reporting of procedures. See DRG Coding and Payment section of this guide for additional details.

| ICD-10 PCS P | ROCEDURE CODES |
|--------------|--|
| INCISIONAL | HERNIA REPAIR |
| OWQF0ZZ | Repair Abdominal Wall, Open Approach |
| 0WQF3ZZ | Repair Abdominal Wall, Percutaneous Approach |
| 0WQF4ZZ | Repair Abdominal Wall, Percutaneous Endoscopic Approach |
| REPAIR OF O | THER HERNIA OF ANTERIOR ABDOMINAL WALL |
| OWQF0ZZ | Repair Abdominal Wall, Open Approach |
| 0WQF3ZZ | Repair Abdominal Wall, Percutaneous Approach |
| 0WQF4ZZ | Repair Abdominal Wall, Percutaneous Endoscopic Approach |
| OTHER OPEN | INCISIONAL HERNIA REPAIR WITH GRAFT OF PROSTHESIS |
| OWUF07Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Open Approach |
| OWUFOJZ | Supplement Abdominal Wall with Synthetic Substitute, Open Approach |
| OWUFOKZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Open Approach |
| LAPAROSCO | PIC INCISIONAL HERNIA REPAIR WITH GRAFT OR PROSTHESIS |
| OWUF47Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Percutaneous Endoscopic Approach |
| OWUF4JZ | Supplement Abdominal Wall with Synthetic Substitute, Percutaneous Endoscopic Approach |
| 0WUF4KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Percutaneous Endoscopic Approach |
| OTHER LAPA | ROSCOPIC REPAIR OF OTHER HERNIA OF ANTERIOR ABDOMINAL WALL WITH GRAFT OR PROSTHESIS |
| OWUF47Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Percutaneous Endoscopic Approach |
| 0WUF4JZ | Supplement Abdominal Wall with Synthetic Substitute, Percutaneous Endoscopic Approach |
| 0WUF4KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Percutaneous Endoscopic Approach |
| OTHER AND | OPEN REPAIR OF OTHER HERNIA OF ANTERIOR ABDOMINAL WALL WITH GRAFT OR PROSTHESIS |
| OWUF07Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Open Approach |
| OWUFOJZ | Supplement Abdominal Wall with Synthetic Substitute, Open Approach |
| OWUFOKZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Open Approach |
| OWUF47Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Percutaneous Endoscopic Approach |
| 0WUF4JZ | Supplement Abdominal Wall with Synthetic Substitute, Percutaneous Endoscopic Approach |
| 0WUF4KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Percutaneous Endoscopic Approach |
| LAPAROSCO | PIC REPAIR OF DIAPHRAGMATIC HERNIA, ABDOMINAL APPROACH |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| 0BQS4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |
| REPAIR OF D | IAPHRAGMATIC HERNIA, ABDOMINAL APPROACH, NOT OTHERWISE SPECIFIED |
| OBQR0ZZ | Repair Right Diaphragm, Open Approach |
| 0BQR3ZZ | Repair Right Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| OBQSOZZ | Repair Left Diaphragm, Open Approach |
| 0BQS3ZZ | Repair Left Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |

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ICD-10-CM Procedure Coding¹ (continued)

| ICD-10 PCS P | ROCEDURE CODES |
|------------------------------|---|
| REPAIR OF D | IAPHRAGMATIC HERNIA, THORACIC APPROACH, NOT OTHERWISE SPECIFIED |
| OBQR0ZZ | Repair Right Diaphragm, Open Approach |
| 0BQR3ZZ | Repair Right Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| OBQSOZZ | Repair Left Diaphragm, Open Approach |
| 0BQS3ZZ | Repair Left Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |
| APPLICATIO | N OF THE DIAPHRAGM |
| OBQR0ZZ | Repair Right Diaphragm, Open Approach |
| 0BQR3ZZ | Repair Right Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| OBQS0ZZ | Repair Left Diaphragm, Open Approach |
| 0BQS3ZZ | Repair Left Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |
| REPAIR OF PARASTERNAL HERNIA | |
| OBQROZZ | Repair Right Diaphragm, Open Approach |
| 0BQR3ZZ | Repair Right Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| OBQSOZZ | Repair Left Diaphragm, Open Approach |
| 0BQS3ZZ | Repair Left Diaphragm, Percutaneous Approach |
| 0BQR4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |
| LAPAROSCO | PIC REPAIR OF DIAPHRAGMATIC HERNIA, THORACIC APPROACH |
| 0BQR4ZZ | Repair Right Diaphragm, Percutaneous Endoscopic Approach |
| 0BQS4ZZ | Repair Left Diaphragm, Percutaneous Endoscopic Approach |
| OTHER AND | OPEN REPAIR OF DIAPHRAGMATIC HERNIA, WITH THORACIC APPROACH |
| OBQR0ZZ | Repair Right Diaphragm, Open Approach |
| 0BQR3ZZ | Repair Right Diaphragm, Percutaneous Approach |
| OBQS0ZZ | Repair Left Diaphragm, Open Approach |
| 0BQS3ZZ | Repair Left Diaphragm, Percutaneous Approach |

ICD-10-CM Procedure Coding¹ (continued)

| ICD-10 PCS P | ROCEDURE CODES |
|--------------|---|
| OTHER HERN | IA REPAIR |
| 0DQS0ZZ | Repair Greater Omentum, Open Approach |
| 0DQS3ZZ | Repair Greater Omentum, Percutaneous Approach |
| 0DQS4ZZ | Repair Greater Omentum, Percutaneous Endoscopic Approach |
| ODQTOZZ | Repair Lesser Omentum, Open Approach |
| 0DQT3ZZ | Repair Lesser Omentum, Percutaneous Approach |
| 0DQT4ZZ | Repair Lesser Omentum, Percutaneous Endoscopic Approach |
| 0DQS0ZZ | Repair Back Subcutaneous Tissue and Fascia, Open Approach |
| 0JQ73ZZ | Repair Back Subcutaneous Tissue and Fascia, Percutaneous Approach |
| 0JQC0ZZ | Repair Pelvic Region Subcutaneous Tissue and Fascia, Open Approach |
| 0JQC3ZZ | Repair Pelvic Region Subcutaneous Tissue and Fascia, Percutaneous |
| 0JQM0ZZ | Repair Left Upper Leg Subcutaneous Tissue and Fascia, Open Approach |
| 0JQM3ZZ | Repair Left Upper Leg Subcutaneous Tissue and Fascia, Open Approach |
| 0JQN0ZZ | Repair Right Lower Leg Subcutaneous Tissue and Fascia, Open Approach |
| 0JQN3ZZ | Repair Right Lower Leg Subcutaneous Tissue and Fascia, Percutaneous Approach |
| OWQF0ZZ | Repair Abdominal Wall, Open Approach |
| 0WQF3ZZ | Repair Abdominal Wall, Percutaneous Approach |
| 0WQF4ZZ | Repair Abdominal Wall, Percutaneous Endoscopic Approach |
| OWUF07Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Open Approach |
| OWUF47Z | Supplement Abdominal Wall with Synthetic Substitute, Open Approach |
| OWUF0KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Open Approach |
| OWUF47Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Percutaneous Endoscopic Approach |
| OWUF4JZ | Supplement Abdominal Wall with Synthetic Substitute, Percutaneous Endoscopic Approach |
| OWUF4KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Percutaneous Endoscopic Approach |
| OTHER REPA | IR OF ABDOMINAL WALL |
| OWMF0ZZ | Reattachment of Abdominal Wall, Open Approach |
| OWQF0ZZ | Repair Abdominal Wall, Open Approach |
| 0WQF3ZZ | Repair Abdominal Wall, Percutaneous Approach |
| 0WQF4ZZ | Repair Abdominal Wall, Percutaneous Endoscopic Approach |
| OWQFXZZ | Repair Abdominal Wall, External Approach |
| 0WUF07Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Open Approach |
| OWUFOJZ | Supplement Abdominal Wall with Synthetic Substitute, Open Approach |
| OWUFOKZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Open Approach |
| 0WUF47Z | Supplement Abdominal Wall with Autologous Tissue Substitute, Percutaneous Endoscopic Approach OWUF4JZ |
| 0WUF4JZ | Supplement Abdominal Wall with Synthetic Substitute, Percutaneous Endoscopic Approach |
| 0WUF4KZ | Supplement Abdominal Wall with Nonautologous Tissue Substitute, Percutaneous Endoscopic Approach |

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2023 Inpatient Hospital Coding/Payment - Medicare

Hospital inpatient procedures are billed with ICD-10-CM procedure codes. These procedure codes are mapped to specific Medicare Diagnosis Related Groups (DRGs) for payment. Private payer claims processing protocol can vary, but often use the same DRG Grouper as Medicare. Payment for private payers will differ per contract, payer and patient benefits.

The table below provides potential MS-DRGs assignments for hospitals when applying MiroFlex Biologic Matrix. These are 2022 Medicare average rates and are provided as a benchmark. Rates nationwide can vary widely.

| DRG ^{1,2} | Description | DRG WEIGHT | MEDICARE PAYMENT ^{3,4} |
|--------------------|--|---------------|------------------------------------|
| 326 | Stomach, esophageal & duodenal procedures with MCC | 5.3163 | \$31,991 |
| 327 | Stomach, esophageal & duodenal procedures with CC | 2.5647 | \$16,007 |
| 328 | Stomach, esophageal & duodenal procedures without CC/MCC | 1.6669 | \$10,360 |
| 347 | Anal & stomal procedures with MCC | 2.4647 | \$15,863 |
| 348 | Anal & stomal procedures with CC | 1.3481 | \$8,631 |
| 349 | Anal & stomal procedures without CC/MCC | 0.9793 | \$6,232 |
| 350 | Inguinal & femoral hernia procedures with MCC | 2.4548 | \$14,730 |
| 351 | Inguinal & femoral hernia procedures with CC | 1.4927 | \$9,188 |
| 352 | Inguinal & femoral hernia procedures without CC/MCC | 1.1044 | \$6,887 |
| 353 | Hernia procedures except inguinal & femoral with MCC | 3.0249 | \$17,923 |
| 354 | Hernia procedures except inguinal & femoral with CC | 1.7848 | \$10,949 |
| 355 | Hernia procedures except inguinal & femoral without CC/MCC | 1.3602 | \$8,576 |

2023 Medicare payments are based on a factor of \$6,249.82 weight of one. They do not include adjustments for Disproportionate Share or Direct or Indirect Medical Education. These allowances are effective as of October 1, 2021.

Hernia repair will routinely fall into one of the these 12 DRGs. The exact assignment is dependent upon the presence or absence of Complications and Comorbidities (CC) or Major Complications or Comorbidities (MCC). These payment assignments also assume the hernia repair is the primary procedure.

Hospital inpatient procedures are billed with ICD-10 CM Procedure Codes. These procedure codes are mapped to specific Diagnosis Related Groups (DRGs) for payment.

Private payor claims processing protocol can vary, but often use the same DRG Grouper as Medicare resulting in assignment to the same DRGs.

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2. 2023 MS-DRG relative weight multiplied by 2022 rate of \$6,249.82 per IPPS Final Rule as calculated by MCRA, payment rates will vary by facility. Calculation includes labor related, non-labor related and capital rates.

3. Medicare reimburses hospital inpatient stays based on the Medicare Severity Diagnosis Related Group (MS-DRG) system. MS-DRGs represent a consolidated prospective payment for all services provided by the hospital during hospitalization, based on submitted claims data. With limited exceptions, the MS-DRG payment is inclusive of all services, products, and resources, regardless of the final cost to the hospital. Medicare and many private payors use the MS-DRG based system to reimburse facilities for inpatient services.

4. Reference: https://www.cms.gov/medicare/acute-inpatient-pps/fy-2023-ipps-final-rule-home-page#FinalRule

NOTE: This list is not all inclusive. These procedure codes, when combined with appropriate ICD-10 CM diagnosis codes get mapped to DRGs for payment. The ICD-10 PCS system provides greater granularity in the reporting of procedures.

2023 Hospital Outpatient/ASC - Medicare

Hospital outpatient departments and Ambulatory Surgery Centers (ASCs) submit CPT codes to government and private payers. These CPT codes are then mapped to specific comprehensive Ambulatory Payment Classification (APCs) (hospitals) or a fee schedule (ASC) for Medicare payment.

Under Medicare, non-hospitalized hernia repair procedures are categorized into one of the following 3 payments levels for hospitals/ASCs as described below.

See CPT Coding Section of this guide for CPT coding details.

| DESCRIPTION* | HOSPITAL OUTPATIENT NATIONAL AVG | ASC NATIONAL AVG |
|---|-------------------------------------|---------------------|
| APC: 5341 - Abdominal/Peritoneal/Biliary and Related Procedures | \$3,264 | \$3,183 |
| APC: 5361 - Level 1 Laparoscopy and Related Services | \$5,060 | \$5,192 |
| APC: 5362 - Level 2 Laparoscopy and Related Services | \$8,907 | \$9,139 |

*These surgeries may be performed via laparoscopy or open procedure.

Coinsurance/Deductibles: As with all products and services paid for under Medicare Parts A & B, Medicare will reimburse 80 percent of the allowable amount. The patient, or secondary/supplemental plan, is responsible for the remaining, 20 percent coinsurance amount. The appropriate annual deductions also apply.

Sequestration: Since April 1, 2013, all Medicare claims with a date-of-service on or after April 1, 2013 are subjected to a 2 percent sequestration amount, which remains in effect in the U.S. budget until 2022. On Friday, December 10, 2021, the President signed into law: S. 610, the "Protecting Medicare and American Farmers from Sequester Cuts Act," which delays the Medicare sequester and make other changes to Medicare payments. The moratorium on sequestration is extended through March 31, 2022, and the sequestration cut is reduced to 1% from April 1 to June 30, 2022. In effect, providers won't see any Medicare payment reductions until April 1, 2022, with the full 2% sequestration cut in effect beginning July 1, 2022.

Geographic Practice Cost Index (GPCI)¹: The Medicare physician fee schedule amounts are adjusted to reflect the variation in practice costs from area to area. A GPCI has been established for every Medicare payment locality based on the RVUs for work, practice expense, and malpractice. The GPCIs are applied in the calculation of a fee schedule payment amount by multiplying the RVU for each component times the GPCI for that component.

1. Reference: https://www.cms.gov/medicare/acute-inpatient-pps/fy-2023-ipps-final-rule-home-page#FinalRule

CPT is a registered trademark of the American Medical Association.

2023 Outpatient/ASC Coding and Payment - Medicare

The Current Procedural Terminology (CPT) code set describes medical, surgical, and diagnostic services and is designed to communicate uniform information about medical services and procedures among physicians, coders, patients, accreditation organizations, and payors for administrative, financial, and analytical purposes.

The following CPT codes map to specific APCs and represent the most commonly performed hernia repair procedures. "IP Only" means the procedure is only performed in a hospital inpatient - refer to the section on inpatient hospital coding and payment and physician CPT coding and payment for additional information.

| CPT ^{1,2} | Description | APC | HOPPS Nat Avg | ASC Nat Avg |
|--------------------|---|------|------------------|----------------|
| HERNIA | PROCEDURES | | | |
| 49500 | Repair initial inguinal hernia, age 6 months to younger than 5 years, with or without hydrocelectomy, reducible | 5341 | \$3,183 | \$3,265 |
| 49501 | Repair initial inguinal hernia, age 6 months to younger than 5 years, with or without hydrocelectomy; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49505 | Repair initial inguinal hernia, age 5 years or older; reducible | 5341 | \$3,183 | \$3,265 |
| 49507 | Repair initial inguinal hernia, age 5 years or older; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49520 | Repair recurrent inguinal hernia, any age; reducible | 5341 | \$3,183 | \$3,265 |
| 49521 | Repair recurrent inguinal hernia, any age; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49525 | Repair inguinal hernia, sliding, any age | 5341 | \$3,183 | \$3,265 |
| 49550 | Repair initial femoral hernia, any age; reducible | 5341 | \$3,183 | \$3,265 |
| 49553 | Repair initial femoral hernia, any age; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49555 | Repair recurrent femoral hernia; reducible | 5341 | \$3,183 | \$3,265 |
| 49557 | Repair recurrent femoral hernia; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49560 | Repair initial incisional or ventral hernia; reducible | 5341 | \$3,183 | \$3,265 |
| 49561 | Repair initial incisional or ventral hernia; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49565 | Repair recurrent incisional or ventral hernia; reducible | 5361 | \$5,060 | \$5,193 |
| 49566 | Repair recurrent incisional or ventral hernia; incarcerated or strangulated | 5361 | \$5,060 | \$5,193 |
| 49580 | Repair umbilical hernia, younger than age 5 years; reducible | 5341 | \$3,183 | \$3,265 |
| 49582 | Repair umbilical hernia, younger than age 5 years; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| 49585 | Repair umbilical hernia, age 5 years or older; reducible | 5341 | \$3,183 | \$3,265 |
| 49587 | Repair umbilical hernia, age 5 years or older; incarcerated or strangulated | 5341 | \$3,183 | \$3,265 |
| LAPARO | SCOPY PROCEDURES | | | |
| 44238 | Unlisted laparoscopy procedure, intestine (except rectum) | 5361 | \$5,060 | \$5,193 |
| 49650 | Laparoscopy, surgical; repair initial inguinal hernia | 5361 | \$5,060 | \$5,193 |
| 49651 | Laparoscopy, surgical; repair recurrent inguinal hernia | 5361 | \$5,060 | \$5,193 |
| 49652 | Laparoscopy, surgical, repair, ventral, umbilical, spigelian or epigastric hernia (includes mesh insertion, when performed); reducible or 5362 with complexity adjustment \$7,741 (ASC payment would be the same) | 5361 | \$5,060 | \$5,193 |
| 49653 | Laparoscopy, surgical, repair, ventral, umbilical, spigelian or epigastric hernia (includes mesh insertion, when performed); incarcerated or strangulated or 5363 with complexity adjustment | 5361 | \$5,060 | \$5,192 |
| 49654 | Laparoscopy, surgical, repair, incisional hernia (includes mesh insertion, when performed); reducible | 5362 | \$8,908 | \$9,139 |
| 49655 | Laparoscopy, surgical, repair, incisional hernia (includes mesh insertion, when performed); incarcerated or strangulated | 5362 | \$8,908 | \$9,139 |
| 49656 | Laparoscopy, surgical, repair, recurrent incisional hernia (includes mesh insertion, when performed); reducible | 5362 | \$8,908 | \$9,139 |
| 49657 | Laparoscopy, surgical, repair, recurrent incisional hernia (includes mesh insertion, when performed); incarcerated or strangulated | 5362 | \$8,908 | \$9,139 |
| 49659 | Unlisted laparoscopy procedure, hernioplasty, herniorrhaphy, herniotomy | 5361 | \$5,060 | \$5,193 |
| 44346 | Revision of colostomy; simple (release of superficial scar) (separate procedure) with repair of paracolostomy hernia (separate procedure) | 5341 | \$3,183 | \$3,265 |

^{1.} Providers are encouraged to reference CMS Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GlobalISurgery-ICN907166Printfriendly.pdf

^{2.} Reference: https://www.cms.gov/medicaremedicare-fee-service-paymentphysicianfeeschedpfs-federal-regulation-notices/cms-1770-f.

2023 Outpatient/ASC Coding and Payment - Medicare (continued)

| CPT ^{1,2} | Description | APC | HOPPS Nat Avg | ASC Nat Avg | |
|---------------------------|---|---------|------------------|----------------|--|
| LAPAROSC | OPIC FUNDOPLASTY | | | | |
| 43280 | Laparoscopy, surgical, esophagogastric fundoplasty (e.g., Nissen, Toupet procedures) | 5362 | \$8,907 | \$9,139 | |
| 43281 | Laparoscopy, surgical, repair of paraesophageal hernia, includes fundoplasty, when performed; without implantation of mesh | 5362 | \$8,907 | \$9,139 | |
| 43282 | Laparoscopy, surgical, repair of paraesophageal hernia, includes fundoplasty, when performed; with implantation of mesh | 5362 | \$8,907 | \$9,139 | |
| 43289 | Unlisted laparoscopy procedure, esophagus | 5361 | \$5,060 | \$5,192 | |
| APAROSC | OPY PROCEDURES (IP ONLY CODES) | | | | |
| 44187 | Laparoscopy, surgical; ileostomy or jejunostomy, non-tube | | | | |
| 44188 | Laparoscopy, surgical, colostomy or skin level cecostomy | | | | |
| 44202 | Laparoscopy, surgical; enterectomy, resection of small intestine, single resection and anastomosis | | | | |
| 44203 | Laparoscopy, surgical; each additional small intestine resection and anastomosis (List separatelyin addition to code for primary procedure) | - | | | |
| 44204 | Laparoscopy, surgical; colectomy, partial, with anastomosis | _ | | | |
| 44205 | Laparoscopy, surgical; colectomy, partial, with removal of terminal ileum with ileocolostomy | | | | |
| 44206 | Laparoscopy, surgical; colectomy, partial, with end colostomy and closureof distal segment (Hartmann type procedure) | | | | |
| 44207 | Laparoscopy, surgical; colectomy, partial, with anastomosis, with coloproctostomy (low pelvic anastomosis) | | | | |
| 44208 | Laparoscopy, surgical; colectomy, partial, with anastomosis, with coloproctostomy (low pelvic anastomosis) with colostomy | | IP Only | | |
| 44210 | Laparoscopy, surgical; colectomy, total, abdominal, without proctectomy, with ileostomy or ileoproctostomy | - | | | |
| 44211 | Laparoscopy, surgical; colectomy, total, abdominal, with proctectomy, with ileoanal anastomosis, creation of ileal reservoir (S or J), with loop ileostomy, includes rectal mucosectomy, when performed | | | | |
| 44212 | Laparoscopy, surgical; colectomy, total, abdominal, with proctectomy, with ileostomy |] | | | |
| 44213 | Laparoscopy, surgical, mobilization (take-down) of splenic flexure performed in conjunction with partial colectomy (List separately in addition to primary procedure) | | | | |
| 44227 | Laparoscopy, surgical, closure of enterostomy, large or small intestine, with resection and anastomosis | | | | |
| LAPAROSC | OPIC REPAIR (IP ONLY CODES) | | | | |
| 43332 | Repair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; without implantation of mesh or other prosthesis | | | | |
| 43333 | Repair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; with implantation of mesh or other prosthesis | | | | |
| 43334 | Repair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; without implantation of mesh or other prosthesis | IP Only | | | |
| 43335 | Repair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; with implantation of mesh or other prosthesis | | | | |
| 43336 | Repair, paraesophageal hiatal hernia, (including fundoplication), via thoracoabdominal incision, except neonatal; without implantation of mesh or other prosthesis | | | | |
| 43337 | Repair, paraesophageal hiatal hernia, (including fundoplication), via thoracoabdominal incision, except neonatal; with implantation of mesh or other prosthesis | | | | |
| 43338 | Esophageal lengthening procedure (e.g., Collis gastroplasty or wedge gastroplasty) (List separately in addition to code for primary procedure) | | | | |
| OTHER (IP | ONLY CODES) | | | | |
| 39540 | Repair, diaphragmatic hernia (other than neonatal), traumatic; acute | | | | |
| 39541 | Repair, diaphragmatic hernia (other than neonatal), traumatic; chronic | IP Only | | | |
| 44346 | Revision of colostomy; simple (release of superficial scar) (separate procedure) with repair of paracolostomy hernia (separate procedure) | | ii Oniy | | |

1. Providers are encouraged to reference CMS Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GlobalISurgery-ICN907166Printfriendly.pdf

2. Reference: https://www.cms.gov/medicare-medicare-fee-service-paymentphysicianfeeschedpfs-federal-regulation-notices/cms-1770-f.

2023 Physician Services - Medicare

| CPT Code ^{1,2} | Description | Medicare National Avg |
|----------------------------|---|--------------------------|
| 17999 | Unlisted procedure, skin, mucous membrane and subcutaneous tissue | YYY* |
| 49500 | Repair initial inguinal hernia, age 6 months to younger than 5 years, with or without hydrocelectomy, reducible | \$414 |
| 49501 | Repair initial inguinal hernia, age 6 months to younger than 5 years, with or without hydrocelectomy; incarcerated or strangulated | \$603 |
| 49505 | Repair initial inguinal hernia, age 5 years or older; reducible | \$519 |
| 49507 | Repair initial inguinal hernia, age 5 years or older; incarcerated or strangulated | \$584 |
| 49520 | Repair recurrent inguinal hernia, any age; reducible | \$628 |
| 49521 | Repair recurrent inguinal hernia, any age; incarcerated or strangulated | \$711 |
| 19525 | Repair inguinal hernia, sliding, any age | \$570 |
| 49550 | Repair initial femoral hernia, any age; reducible | \$574 |
| 19553 | Repair initial femoral hernia, any age; incarcerated or strangulated | \$628 |
| 19555 | Repair recurrent femoral hernia; reducible | \$601 |
| 19557 | Repair recurrent femoral hernia; incarcerated or strangulated | \$717 |
| 19560 | Repair initial incisional or ventral hernia; reducible | NA |
| 49561 | Repair initial incisional or ventral hernia; incarcerated or strangulated | NA |
| 19565 | Repair recurrent incisional or ventral hernia; reducible | NA |
| 19566 | Repair recurrent incisional or ventral hernia; incarcerated or strangulated | NA |
| 19580 | Repair umbilical hernia, younger than age 5 years; reducible | NA |
| 19582 | Repair umbilical hernia, younger than age 5 years; incarcerated or strangulated | NA |
| 19585 | Repair umbilical hernia, age 5 years or older; reducible | NA |
| 19587 | Repair umbilical hernia, age 5 years or older; incarcerated or strangulated | NA |
| 14187 | Laparoscopy, surgical; ileostomy or jejunostomy, non-tube | \$1,074 |
| 14188 | Laparoscopy, surgical, colostomy or skin level cecostomy | \$1,196 |
| 14202 | Laparoscopy, surgical; enterectomy, resection of small intestine, single resection and anastomosis | \$1,366 |
| 44203 | Laparoscopy, surgical; each additional small intestine resection and anastomosis (List separatelyin addition to code for primary procedure) | \$236 |
| 14204 | Laparoscopy, surgical; colectomy, partial, with anastomosis | \$1,508 |
| 14205 | Laparoscopy, surgical; colectomy, partial, with removal of terminal ileum with ileocolostomy | \$1,310 |
| 44206 | Laparoscopy, surgical; colectomy, partial, with end colostomy and closureof distal segment (Hartmann type procedure) | \$1,709 |
| 44207 | Laparoscopy, surgical; colectomy, partial, with anastomosis, with coloproctostomy (low pelvic anastomosis) | \$1,774 |
| 44208 | Laparoscopy, surgical; colectomy, partial, with anastomosis, with coloproctostomy (low pelvic anastomosis) with colostomy | \$1,931 |
| 14210 | Laparoscopy, surgical; colectomy, total, abdominal, without proctectomy, with ileostomy or ileoproctostomy | \$1,735 |
| 14211 | Laparoscopy, surgical; colectomy, total, abdominal, with proctectomy, with ileoanal anastomosis, creation of ileal reservoir (S or J), with loop ileostomy, includes rectal mucosectomy, when performed | \$2,066 |
| 14212 | Laparoscopy, surgical; colectomy, total, abdominal, with proctectomy, with ileostomy | \$1,980 |
| 44213 | Laparoscopy, surgical, mobilization (take-down) of splenic flexure performed in conjunction with partial colectomy (List separately in addition to primary procedure) | \$181 |
| 44227 | Laparoscopy, surgical, closure of enterostomy, large or small intestine, with resection and anastomosis | \$1,627 |

1. Providers are encouraged to reference CMS Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GloballSurgery-ICN907166Printfriendly.pdf 2. Reference: CY2023 MPFS: https://www.cms.gov/medicaremedicare-fee-service-paymentphysicianfeeschedpfs-federal-regulation-notices/cms-1770-f. CMS CY2023 MPFS

Conversion factor = \$33.0777.

*YYY = Codes with YYY are contractor priced codes for which Medicare Administrative Contractors determine the global period and payment.

2023 Physician Services - Medicare (continued)

| LAPAROSCOPY PROCEDURES | | |
|----------------------------|---|--------------------------|
| CPT Code ^{1,2} | Description | Medicare National Avg |
| 44238 | Unlisted laparoscopy procedure, intestine (except rectum) | YYY* |
| 49650 | Laparoscopy, surgical; repair initial inguinal hernia | \$429 |
| 49651 | Laparoscopy, surgical; repair recurrent inguinal hernia | \$561 |
| 49652 | Laparoscopy, surgical, repair, ventral, umbilical, spigelian or epigastric hernia (includes mesh insertion, when performed); reducible or 5362 with complexity adjustment \$7,741 (ASC payment would be the same) | NA |
| 49653 | Laparoscopy, surgical, repair, ventral, umbilical, spigelian or epigastric hernia (includes mesh insertion, when performed); incarcerated or strangulated or 5363 with complexity adjustment | NA |
| 49654 | Laparoscopy, surgical, repair, incisional hernia (includes mesh insertion, when performed); reducible | NA |
| 49655 | Laparoscopy, surgical, repair, incisional hernia (includes mesh insertion, when performed); incarcerated or strangulated | NA |
| 49656 | Laparoscopy, surgical, repair, recurrent incisional hernia (includes mesh insertion, when performed); reducible | NA |
| 49657 | Laparoscopy, surgical, repair, recurrent incisional hernia (includes mesh insertion, when performed); incarcerated or strangulated | NA |
| 49659 | Unlisted laparoscopy procedure, hernioplasty, herniorrhaphy, herniotomy | YYY* |
| 44346 | Revision of colostomy; simple (release of superficial scar) (separate procedure) with repair of paracolostomy hernia (separate procedure) | \$1,164 |

| LAPAROSCOPIC FUNDOPLASTY PROCEDURES | | |
|-------------------------------------|---|--------------------------|
| CPT Code ¹ | Description | Medicare National Avg |
| 43280 | Laparoscopy, surgical, esophagogastric fundoplasty (e.g., Nissen, Toupet procedures) | \$1,064 |
| 43281 | Laparoscopy, surgical, repair of paraesophageal hernia, includes fundoplasty, when performed; without implantation of mesh | \$1,513 |
| 43282 | Laparoscopy, surgical, repair of paraesophageal hernia, includes fundoplasty, when performed; with implantation of mesh | \$1,703 |
| 43283 | Laparoscopy, surgical, esophageal lengthening procedure (e.g., Collis gastroplasty or wedge gastroplasty) (List separately in addition to code for primary procedure) | NA |
| 43289 | Unlisted laparoscopy procedure, esophagus | YYY* |

LAPAROSCOPIC REPAIR PROCEDURES

| Description | Medicare National Avg |
|--|--|
| Repair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; without implantation of mesh or other prosthesis | \$1,128 |
| Repair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; with implantation of mesh or other prosthesis | \$1,236 |
| Repair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; without implantation of mesh or other prosthesis | \$1,211 |
| Repair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; with implantation of mesh or other prosthesis | \$1,298 |
| Repair, paraesophageal hiatal hernia, (including fundoplication), via thoracoabdominal incision, except neonatal; without implantation of mesh or other prosthesis | \$1,411 |
| Repair, paraesophageal hiatal hernia, (including fundoplication), via thoracoabdominal incision, except neonatal; with implantation of mesh or other prosthesis | \$1,503 |
| Esophageal lengthening procedure (e.g., Collis gastroplasty or wedge gastroplasty) (List separately in addition to code for primary procedure) | \$111 |
| | Repair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; without implantation of mesh or other prosthesisRepair, paraesophageal hiatal hernia (including fundoplication), via laparotomy, except neonatal; with implantation of mesh or other prosthesisRepair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; without implantation of mesh or other prosthesisRepair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; without implantation of mesh or other prosthesisRepair, paraesophageal hiatal hernia (including fundoplication), via thoracotomy, except neonatal; with implantation of |

^{1.} Providers are encouraged to reference CMS Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GloballSurgery-ICN907166Printfriendly.pdf

Reference: CY2023 MPFS: https://www.cms.gov/medicaremedicare-fee-service-paymentphysicianfeeschedpfs-federal-regulation-notices/cms-1770-f. CMS CY2023 MPFS Conversion factor = \$33.0777.

^{*}YYY = Codes with YYY are contractor priced codes for which Medicare Administrative Contractors determine the global period and payment.

2022 Physician Services - Medicare (continued)

| INPATIENT PROCEDURES | | |
|----------------------------|---|--------------------------|
| CPT Code ^{1,2} | Description | Medicare National Avg |
| 39540 | Repair, diaphragmatic hernia (other than neonatal), traumatic; acute | \$851 |
| 39541 | Repair, diaphragmatic hernia (other than neonatal), traumatic; chronic | \$918 |
| 44346 | Revision of colostomy; simple (release of superficial scar) (separate procedure) with repair of paracolostomy hernia (separate procedure) | \$1,164 |

Coinsurance/Deductibles: As with all products and services paid for under Medicare Parts A & B, Medicare will reimburse 80 percent of the allowable amount. The patient, or secondary/supplemental plan, is responsible for the remaining, 20 percent coinsurance amount. The appropriate annual deductions also apply.

Sequestration: Since April 1, 2013, all Medicare claims with a date-of-service on or after April 1, 2013 are subjected to a 2 percent sequestration amount, which remains in effect in the U.S. budget until 2022. On Friday, December 10, 2021, the President signed into law: S. 610, the "Protecting Medicare and American Farmers from Sequester Cuts Act," which delays the Medicare sequester and make other changes to Medicare payments. The moratorium on sequestration is extended through March 31, 2022, and the sequestration cut is reduced to 1% from April 1 to June 30, 2022. In effect, providers won't see any Medicare payment reductions until April 1, 2022, with the full 2% sequestration cut in effect beginning July 1, 2022.

Geographic Practice Cost Index (GPCI)³: The Medicare physician fee schedule amounts are adjusted to reflect the variation in practice costs from area to area. A GPCI has been established for every Medicare payment locality based on the RVUs for work, practice expense, and malpractice. The GPCIs are applied in the calculation of a fee schedule payment amount by multiplying the RVU for each component times the GPCI for that component.

CMS Global Surgery Guidelines: Physicians are encouraged to reference Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GloballSurgery-ICN907166Printfriendly.pdf

Use either JW or JZ Modifiers to detail wastage or lack of wastage: Providers and suppliers are required to report the JW or JZ modifier on Medicare Part B drug claims for discarded drugs and biologicals. Also, providers and suppliers must document the amount of discarded drugs or biologicals in Medicare beneficiaries' medical record including:

- Date, time, and location of ulcer treated
- Name of skin substitute and how product supplied
- Approximate amount of product unit used
- Approximate amount of product unit discarded
- Reason for the wastage
- · Manufacturer's serial/lot/batch or other unit identification number on graft material

The amount discarded should be billed on a separate line with the JW modifier. The unit field should reflect the amount of tissue discarded. The modifier is not required if no discarded portion is being billed to any payer.

Please refer to: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/Downloads/MM9603.pdf and the FAQs at https://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HospitalOutpatientPPS/Downloads/JWModifier-FAQs.pdf.

- JW Modifier must be reported for dates of service on or after January 1, 2023.
- JZ Modifier must be reported for dates of service on or after July 1, 2023.

^{1.} Providers are encouraged to reference CMS Global Surgery Booklet for Coding and Billing Guidance: https://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/GlobalISurgery-ICN907166Printfriendly.pdf

^{2.} Reference: CY2023 MPFS: https://www.cms.gov/medicaremedicare-fee-service-paymentphysicianfeeschedpfs-federal-regulation-notices/cms-1770-f. CMS CY2023 MPFS Conversion factor = \$33.0777.

^{3. 2023} AMA CPT* Professional. Procedure coding should be based upon medical necessity, procedures and supplies provided to the patient. Coding and reimbursement information is provided for educational purposes and does not assure coverage of the specific item or service in a given case. Reprise Biomedical makes no guarantee of coverage or reimbursement of fees. These payment rates are nationally unadjusted average amounts and do not account for differences in payment due to geographic variation. Contact your Medicare Administrative Contractor (MAC) or CMS for specific information as payment rates listed are subject to change. To the extent that you submit cost information to Medicare, Medicaid or any other reimbursement program to support claims for services or items, you are obligate to accurately report the actual price paid for such items, including any subsequent adjustments. CPT five-digit numeric codes, descriptions, and numeric modifiers only are Copyright AMA. (Updated January 2022).

Sample Letter of Medical Necessity

Date Insurer Name Insurer Address City, State, Zip Code

> RE: Medical Necessity for MiroFlex Biologic Matrix Patient's Name: Policy Number: Group Number: Date of Birth:

Dear [Insurance Contact Name]:

I am writing to notify you of my intent to treat Mr./Ms. [Patient's Name] with MiroFlex Biologic Matrix, which is used to reinforce soft tissue and is also intended for implantation to reinforce soft tissue where weakness exists in patients requiring soft tissue repair or reinforcement in plastic and reconstructive surgery.

The patient's medical history is as follows: [include relevant medical history]

MiroFlex Biologic Matrix is an acellular matrix that is derived from the highly vascularized porcine liver and was cleared by the FDA under 510(k) K134033. Reprise Biomedical manufactures MiroFlex Biologic Matrix and is a medical device company focused on the development of clinically relevant biologic medical devices for the surgical and wound care space.

My patient has not responded to conservative care for [time frame] and has not responded to more advanced therapy including [product name(s) & type(s) of products]. More aggressive treatment is medically necessary to prevent further damage and [list risk(s) of non-closure]. I believe my patient will benefit from treatment with MiroFlex Biologic Matrix.

I have enclosed information regarding the clinical utility of MiroFlex.

Please feel free to contact me if additional information is required to process my request for coverage.

Sincerely, [Name] [Contact info]

CAUTION: Federal (USA) law restricts this device to sale by or on the order of a physician.

Reprîse Biomedical

17400 Medina Road, Suite 100 Plymouth, MN 55447 763-284-6780 | **reprisebio.com** SM-00125 Rev. C 12/22

Refer to the Instructions for Use for a complete listing of the indications, contraindications, warnings and precautions. Information in this material is not a substitute for the product Instructions for Use.

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