ALLIANCE FOR
HCPCS II CODING REFORM
creating a transparent, fair and predictable system

July 10, 2020

<u>SUBMITTED ELECTRONICALLY</u>

The Honorable Diana DeGette
U.S. House of Representatives
2111 Rayburn House Office Building
Washington, DC 20515

The Honorable Fred Upton
U.S. House of Representatives
2183 Rayburn House Office Building
Washington, DC 20515

Re: **<u>Recommendation for Cures 2.0 Legislation: HCPCS Level II Coding Reform</u>**

Dear Representatives DeGette and Upton:

On behalf of the Alliance for HCPCS II Coding Reform ("Alliance"), we appreciate the opportunity to offer recommendations for legislative reforms to ensure patient access to innovative medical products, as requested in the Cures 2.0 Concept Paper.[1] The Cures 2.0 Concept Paper seeks feedback on whether current Medicare coverage and reimbursement policies need to be amended to keep up with the pace of medical innovation. Given our concerns that the current Healthcare Common Procedure Coding System ("HCPCS") Level II coding process significantly hinders Medicare patients' access to innovative medical devices and technologies, we believe that legislation is needed to modernize the HCPCS Level II coding process.

The current HCPCS coding process for Level II alpha-numeric codes (particularly for durable medical equipment, orthotics, prosthetics and supplies ("DMEPOS") items and services) lacks transparency and predictability and is plagued by an inherent conflict of interest, which creates strong barriers to appropriate coverage and reimbursement. This flawed process impacts not just Medicare, but also all payers using the uniform code set. The process has a chilling effect on innovation that drives researchers and investments away from DMEPOS, ultimately compromising access to quality care for millions of Medicare beneficiaries and other individuals.

Reform is needed to ensure the goals of a meaningful code set are met, namely, uniformity in billing, appropriate coverage and reimbursement policies, and patient access to quality care. By letter dated December 16, 2019, which is attached hereto, we recommended that the Cures 2.0 package reform the HCPCS Level II coding process to promote important technological development and increase patient access to cutting edge DMEPOS items and services. We also had the pleasure of discussing these recommendations with Sherie Lou Santos and Mark Ratner on February 24, 2020. Given the legislation's goal of modernizing coverage and reimbursement policies, ***we continue to respectfully urge you to include in the Cures 2.0 package language to reform the HCPCS Level II coding process to ensure that the process is fair, transparent, predictable, accurate, efficient, and independent of a payer's coverage and payment considerations***.

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[1] U.S. Reps. Diana DeGette and Fred Upton, *21st Century Cures 2.0 Concept Paper* (Apr. 27, 2020), https://upton.house.gov/uploadedfiles/cures_2.0_concept_paper_final.pdf.

We appreciate your leadership in developing Cures 2.0, and we look forward to working with you during this process. To contact the Alliance, please contact me (301-530-7846 or marcia@woundcarestakeholders.org) or Peter Thomas (202-872-6730 or Peter.Thomas@PowersLaw.com).

Respectfully submitted,

Marcia Nusgart R.Ph.
Coordinator
Alliance for HCPCS II Coding Reform

Enclosure

cc: Sherie Lou Z. Santos, Health Policy Director, Rep. Diana DeGette
        (SherieLou.Santos@mail.house.gov)
        Mark Ratner, Legislative Director/Deputy Chief of Staff/Policy Coordinator, Rep. Fred
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