

Medicare to cover more obesity surgery

Medicare announced Feb 21 it will expand national coverage for bariatric surgery to all Medicare recipients, including those over 65 as well as the disabled, who:

- are morbidly obese (body mass index of 35 or greater)
- have an obesity-related condition or disease
- have not been successful with medical treatment for obesity.

Coverage will be provided only if the surgery is performed by organizations certified by the:

- American Society for Bariatric Surgery (ASBS) Surgical Review Corporation (SRC)
- American College of Surgeons as a Level 1 Bariatric Surgery Program.

Three types of procedures will be covered:

- laparoscopic and open gastric bypass
- laparoscopic gastric adjustable banding
- open and laparoscopic biliopancreatic diversion and the duodenal switch.

In the new decision, the Centers for Medicare and Medicaid Services (CMS) reconsidered a proposal made last fall that would have excluded payment for the surgery for patients over 65, reserving it for the disabled. CMS says new data show that experienced surgeons have similar outcomes for patients of all ages.

Previously, Medicare covered some bariatric surgery but did not have a national policy. Coverage was decided region by region and applied only to surgery to correct an illness that "caused the obesity or was aggravated by the obesity."

"The new coverage policy is binding on all Medicare contractors, and no local coverage policy may be inconsistent," says ASBS, which requested the decision from CMS.

Poised to grow?

Will the decision spur growth of bariatric surgery?

Obesity procedures spiraled by 450% between 1998 and 2002, and about 170,000 procedures were performed in 2005.

But some private insurers backed off after some widely reported complications. Will the CMS decision encourage more insurers to provide coverage?

"Historically, the payers have followed CMS—it's kind of like a Supreme Court ruling," says Neil Hatcher, MD, president of ASBS. So far, health plans haven't said much.

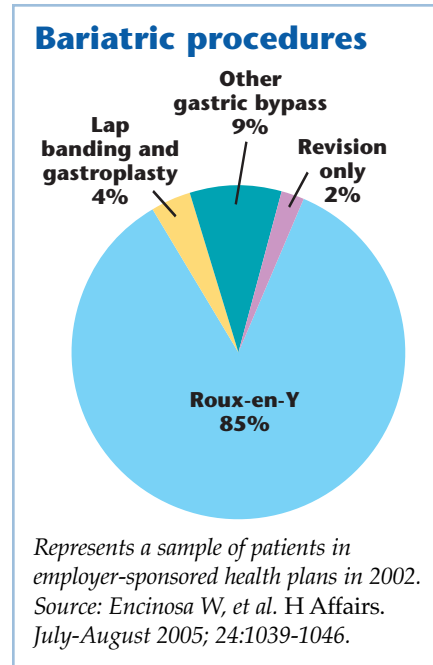
"I think they will be under tremendous pressure," he told *OR Manager*, because current data show bariatric surgery can prevent, improve, or cure a number of obesity-related conditions like type 2 diabetes, heart disease, sleep apnea, and cirrhosis of the liver.

According to 2002 figures, Medicare covers about 6% of bariatric surgery, with private insurance paying for 83%; 3% were self-pay, and the rest were covered by other government programs and charity.

Medicare is a big potential source of patients.

By 2010, 475,000 people age 65 to 69 could be clinically eligible for bariatric surgery, according to the Agency for Healthcare Research and Quality (Encinosa W et al. *H Affairs*. July-August 2005;24:1039-1046).

For self-pay patients, ASBS plans to introduce an insurance program this spring that would enable hospitals and physicians to buy coverage for complications from the surgery, which could boost the number of self-pay patients, Dr Hatcher says.



Experience means better outcomes

But only a limited number of facilities will be able to operate on Medicare patients. Because experience makes a difference in outcomes, Medicare coverage will be restricted to surgeons and hospitals that meet certain standards, including a volume requirement. That is why CMS is requiring facilities to be certified.

A study published last year by David Flum, MD, of the University of Washington, showed bariatric patients over 65 face a nearly 3-fold increase in the risk of early mortality (4.8% within 30 days)—more than double the risk associated with coronary artery bypass or hip replacement.

But the study clearly demonstrated that mortality was low for Medicare patients whose surgeons had the highest volume of bariatric surgery (*JAMA*. Oct 19, 2005; 294:1903-1908).

As of Jan 31, 100 organizations were certified by SRC, with 40 more approaching designation and 500 in some phase of approval, Dr Hutcher says. A list of the approved programs is at www.surgicalreview.org.

ACS had not announced the number of facilities it has certified as of March 3.

No one knows exactly how many facilities are performing bariatric surgery.

SRC requires certified centers to perform at least 125 bariatric procedures a year; bariatric surgeons must have performed at least 125 procedures and do at least 50 a year. In addition centers must have a multidisciplinary team of bariatric experts.

Dr Hutcher says results from the SRC-approved centers, which represent more than 50,000 cases, show a low mortality rate of 0.32%.

ACS Level 1 programs must perform 125 weight-loss procedures yearly and have 2 or more bariatric surgeons who meet its credentialing requirements for obesity surgery. Programs must also have multidisciplinary services and report all surgical outcomes to ACS. Information is at www.facs.org. ❖

The Medicare decision memo (CAG-00250R) is at www.cms.hhs.gov/mcd/viewdecisionmemo.asp?id=160