

## Case Study 7: Reimbursement Management Strategy

### Situation (Discuss)

The client had developed a new medical device that offered a less invasive alternative to a surgical procedure that over time had come to be adopted by physicians as the standard of care. The device was FDA approved, but had no track record or billing history within the payor community, and consequently suffered from a lack of reimbursement. Using the implantable device was more expensive than the surgical alternative, but resulted in better outcomes with the added advantage of being completely reversible. The client was in need of guidance regarding how to obtain appropriate reimbursement for their new technology.

### Business Recommendation (Design)

Magellan proposed the development of a team of experts consisting of several physician key opinion leaders led by a Reimbursement Specialist to analyze the reimbursement landscape for the device and propose solutions. Activities suggested included a review of existing billing codes (HCPCS, CPT, etc.); development of coding recommendations based on specific site of service; analysis of existing facility fees, professional fees, and payment status in the current year (for the purpose of advocating a new fee schedule); an analysis of the overall payor market; and a review of both LMRP (Local Medical Review Policy) under Medicare and existing commercial payor policies. Pending the outcome of these findings, Magellan proposed to help the client generate data that would meet relevant payor criteria and position the device to obtain coverage and appropriate payment.

### Magellan Team (Deploy)

The team consisted of a Project Manager and Project Coordinator who identified and worked with a Reimbursement Specialist to implement the proposed solution. The Magellan team also identified several physician key opinion leaders to assist in this process. An Executive Sponsor was also part of the team to ensure consistency and quality throughout the process

### Results (Deliver)

The project produced the following key outcomes for the client:

- A review of the reimbursement landscape and recommended reimbursement strategy
- A summary of relevant reimbursement data needed to influence coverage and payment decisions
- A Billing Guide for physician providers, which included
  - A desktop quick reference guide describing the steps required to obtain reimbursement for the product
  - A Prior-Authorization or Pre-Certification package for the device
  - A Payor Denial Response Package, which outlined a process to appeal denied coverage decisions

### Business Impact

The reimbursement tools developed by Magellan helped to simplify the process of obtaining payment for the client's device. In addition to reflecting positively on the client, this increased the rate of adoption of the technology, positively impacting revenue growth. The client also benefited from the development of several valuable relationships with physician KOL's.

### Competencies Demonstrated

**Reimbursement Management** (Reimbursement Strategy & Implementation, Coding Analysis, Payor Relations Support)

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