

Paxman announces that US Centers for Medicare and Medicaid Services (CMS) has reassigned payment for Scalp Cooling

Paxman today announces that the US Centers for Medicare & Medicaid Services (CMS) has reassigned payment for scalp cooling for Medicare claims filed using CPT code 0662T. This treatment has been reassigned to New Technology APC 1520 with a National Average Payment of \$1,850.50, effective January 1, 2022.

An Ambulatory Payment Classification (APC) is the US government's method of paying healthcare facilities for outpatient services for the Medicare programme. The new payment assignment enables facility reimbursement under the Medicare Hospital Outpatient Prospective Payment System (OPPS). There has been a longstanding national coverage determination (NCD) for scalp cooling hypothermia for prevention of hair loss. In June 2021 APC 5732 (Level 2 Minor Procedures) was assigned with a proposed payment rate of \$34.72, following the publication of the AMAs CPT codes. At this time, Paxman together with Dignitana, filed an appeal with the agency and initiated conversations to determine an appropriate payment level for Medicare coverage of scalp cooling.

"This is significant for cancer chemotherapy patients across the US. It is anticipated that this move will strongly reinforce scalp cooling as a signifier of high-quality cancer care for healthcare providers and ensure strong expansion of patient access. 400 centers already utilise Paxman's scalp cooling equipment across the USA." Richard Paxman, CEO of Paxman said,

"Paxman has led initiatives: including the inclusion of scalp cooling on the National Comprehensive Cancer Network[®] (NCCN) annual guidelines as a Class 2A recommendation for patients with breast cancer in 2019 and ovarian cancer in 2020; appropriate coding by the American Medical Association (AMA) and strong advocacy across the United States from leading Academic and Community Oncology Institutions and Professionals, has now enabled this step in right directions, for scalp cooling access in the USA."

According to CMS (<u>https://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports</u> /<u>CMS-Fast-Facts</u>) more than 62 million people rely on Medicare for their health insurance coverage. A 2018 study (<u>https://pubmed.ncbi.nlm.nih.gov/29398469/</u>) found that 14.8 percent of all Medicare beneficiaries have a cancer diagnosis. Additionally, in 2013 the American Cancer Society (<u>https://www.fightcancer.org/sites</u> /<u>default/files/2013-Medicare-Chartbook-Online-Version.pdf</u>) found that Medicare beneficiaries over the age of 65 account for 54 percent of all new cancer cases.

Resources:

1. CMS Final Ruling Nov 2, 2022 - CMS-1753FC (page 232-233, scalp cooling) (https://www.cms.gov /medicaremedicare-fee-service-paymenthospitaloutpatientpps/cms-1753-fc)

2. CMS Press Release Nov 2, 2022 "CMS OPPS/ASC Final Rule Increases Price Transparency, Patient Safety and Access to Quality Care" (https://www.cms.gov/newsroom/press-releases/cms-oppsasc-final-rule-increases-



price-transparency-patient-safety-and-access-quality-care)

3. CMS Fact Sheet Nov 2, 2022 - CY 2022 Medicare Hospital Outpatient Prospective Payment System and Ambulatory Surgical Center Payment System Final Rule (CMS-1753FC) (<u>https://www.cms.gov/newsroom/fact-sheets/cy-2022-medicare-hospital-outpatient-prospective-payment-system-and-ambulatory-surgical-center-0</u>)

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About Us

The Paxman Scalp Cooling System has been developed by the Paxman family to reduce hair loss in breast cancer patients undergoing chemotherapy. The concept behind the system came when the mother of four, Sue Paxman, experienced first-hand the trauma of chemotherapy-induced hair loss. With close to 3,500 systems delivered in to hospitals, clinics and treatment centres around the world, PAXMAN is the leading supplier of Scalp Cooling technology. PAXMAN's scalp-cooling cap is made from lightweight, biocompatible silicone that is soft and flexible, providing a snug yet comfortable fit during treatment. PAXMAN AB (publ) has its headquarters in Karlshamn (Sweden), with subsidiaries in Huddersfield (UK) and Houston, Texas (US).

The PAXMAN share is listed on Nasdaq First North Growth Market. FNCA Sweden AB is the company's Certified Adviser and can be contacted via info@fnca.se and +46 (0)8 528 003 99.

Attachments

Paxman announces that US Centers for Medicare and Medicaid Services (CMS) has reassigned payment for Scalp Cooling