

Paxman Announces New CPT[®] Category I Codes from the American Medical Association for Mechanical Scalp Cooling

Today, Paxman, announces that in the Summary of Panel Actions issued on October 18, 2024, the American Medical Association (AMA) has issued 3 CPT[®] Category I codes for mechanical scalp cooling.

The codes are published on the AMA website [September 2024: CPT[®] Editorial Summary of Panel Actions | AMA \(ama-assn.org\)](#). The new codes will be effective on January 1, 2026, and descriptors will be included in the CPT[®] 2026 code set. An updated AMA publication is anticipated in quarter 4 2025. This is the culmination of many years of intensive work and advocacy and represents a very positive step forward in the United States reimbursement journey towards scalp cooling becoming a standard of care treatment and a recognized medical necessity for side effect management.

CPT[®] (Current Procedural Terminology) Codes are standardized codes, essential within the United States Healthcare system to ensure healthcare providers can track, report, and submit for reimbursement medical procedures and services. CPT[®] Category I codes are permanent and are assigned a Relative Value Unit (RVU) to provide payment guidance to payers.

In July 2021, the AMA issued two CPT[®] Category III codes for mechanical scalp cooling (0662T and 0663T). However, Category III codes are temporary and do not have an associated RVU, leading to unpredictable and inconsistent reimbursement.

AMA will recommend three separate and distinct codes ensuring no code is bundled with the administration of chemotherapy unlike previously with the CPT[®] III code 0663T. Importantly, this recognizes three distinct aspects of work done by clinical staff to administer scalp cooling treatment and allows for all three components to receive coverage and establish payment by public and private payers.

The issuance of a permanent CPT[®] I code demonstrates that the AMA recognizes mechanical scalp cooling; as a service performed frequently across the United States by physicians and other qualified healthcare personnel, as consistent with current medical practice and clinically efficacious.

The issuance of a CPT[®] I code also sends a strong message to payers, both commercial and Medicare and Medicaid, that there is now a path to consistent and predictable reimbursement and payment for scalp cooling for providers in the community and academic setting.

Over the next 12 months, the three new CPT[®] Category I codes will be evaluated by the AMA Relative Value Update Committee (RUC), a multispecialty committee that makes recommendations to the Centers for Medicare & Medicaid Services (CMS) to assign an RVU. RVUs are a standardized method that considers the amount of work, resources, and expertise required to provide a service. They are a way to measure the value of a medical service or procedure and a key component of physician compensation. RVUs are used to calculate Medicare reimbursement for physician services and are also used by private payers to determine physician payment. Once CMS reviews the RUC's recommendations and accepts or modifies them, the RVUs are then

incorporated into the annual Medicare Physician Fee Schedule (MPFS). The RVU is multiplied by the annual conversion factor in dollars to determine the national average fee for any given CPT® I codes. Rates are adjusted according to geographic indices based on provider locality. Private insurers typically adopt these relative values and may apply a higher or lower conversion factor.

The rates will be published in the MPFS Proposed Rule, which will be released in July 2025. After a 60-day open comment period, the rule will be finalized on November 1, 2025, and effective January 1, 2026.

Considerable momentum with the adoption of Paxman's insurance-based billing model by cancer treatment facilities in the USA has already been achieved to date. This model is in line with the commonly used buy-and-bill model and opens access for patients via insurance coverage, an enhanced patient assistance program or a direct pay price, similar to the self-pay option. Paxman facilities that have adopted this model indicate that the majority of patients either have insurance coverage or qualify for the patient assistance program, with under 10% paying out of pocket. This is in stark contrast to 100% of patients at self-pay sites required to pay wholly out of pocket. The new CPT® Category I codes will enhance this positive traction to date, with the expectation that the significant existing Paxman customer base operating the self-pay model will transition over to the insurance-based billing model, thus removing the financial barriers and allowing greater patient access to scalp cooling treatment.

Richard Paxman, CEO, stated, "The granting of the CPT® Category I codes is one of the most significant breakthroughs made in our efforts towards widespread adoption of Paxman's insurance-based billing model. Our strategy has focused on the three pillars of reimbursement (coverage, coding and payment) and the 3 CPT® Category I codes give a clear coding structure, enabling us to begin to unlock further coverage and payment with far greater confidence. Critically, this will ensure that physicians and other healthcare providers providing important care to patients undergoing chemotherapy for cancer and facing the devastating side effects of chemotherapy-induced hair loss are reimbursed for this vital care. I would like to thank Dignitana for partnering with us in this effort, alongside Dr. Steven Isakoff of Massachusetts General Hospital. We would also like to take this opportunity to thank the following societies for their active engagement and support: ASCO (American Society of Clinical Oncology) ACOG (American College of Obstetricians and Gynaecologists) and AAP (American Academy of Pediatrics)."

The market-leading FDA-cleared Paxman Scalp Cooling System is widely installed in NCCN and NCI-designated Comprehensive Cancer Centers across the United States, offering their cancer patients access to the global forerunner in scalp-cooling technology for preventing chemotherapy-induced alopecia. Since 2019, scalp cooling has been included as a Category 2A treatment recommendation in the [National Comprehensive Cancer Network®](#) (NCCN) Guidelines and Compendium.

If you would like to find out more about Paxman's Scalp Cooling System: www.paxmanscalpcooling.com

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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 5,000 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), Houston, Texas (US) and Toronto, Ontario (CA).

The PAXMAN share is listed on Nasdaq First North Growth Market.
FNCA Sweden AB is the company's Certified Adviser.

Attachments

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