CPT Code	Description	C
67208	Destruction of localized lesion of ret- ina (eg, maculopathy, choroido- pathy, small tumors), one or more sessions; cryotherapy, diathermy.	67
67921	Entropion repair; suture.	6

Commenters were concerned that these procedures could not be performed in a physician's office without the purchase of costly equipment and they would now have to be performed in the more expensive OPD setting.

Response: The billing data on site-ofservice performance for four of these five procedures (excluding CPT code 67921) range from 53 percent to 63 percent physicians' office performance. When considering the combined ASC, OPD, and inpatient hospital performances, these four procedures do not meet the new 46 percent threshold criterion; rather their combined percentages range from 37 percent to 40 percent. In view of these combined percentages, we believe we are justified in adhering to our proposed intention to delete from the ASC list CPT codes 66762, 67101, 67105, and 67208.

The fifth code, CPT code 67921, has a 45 percent combined percentage performance in the three settings. Yet, our medical staff advise us that this procedure, which involves the inversion of the border of the eyelid against the eyeball, is medically appropriate for performance in the ASC. This code is also one of a series of ophthalmological codes involving blepharoplasties mentioned both in this notice and in the previous ASC final notice published in the Federal Register on December 31, 1991 (56 FR 67666) as making unnecessary our coverage of integumentary system blepharoplasties, which are sometimes cosmetic. In view of these factors, we are making an exception to our criteria and are retaining CPT code 67921.

Comment: Commenters believed that four of the ophthalmic procedures proposed for removal from the list are subject to the interim practice cost reductions. They are the following CPT codes:

CPT Code	Description
66762	Iridoplasty by photocoagulation (one or more sessions) (eg, for improve- ment of vision, for widening of an- terior chamber angle).
67101	Repair of retinal detachment, one or more sessions; cryotherapy or dia- thermy, with or without drainage of subretinal fluid.

CPT Code	Description
67105	Repair of retinal detachment, photo- coagulation (laser or xenon arc, one or more sessions), with or without drainage of subretinal fluid.
67208	Destruction of localized lesion of ret- ina (eg, maculopathy, choroido- pathy, small tumors), one ore more sessions; cryotherapy, diathermy.

The commenters stated that we should not remove any procedures subject to the interim practice cost reductions from the ASC list until the fee schedule for physicians' services accurately reflects practice costs.

Response: The commenters are correct that four of the five ophthalmic procedures (CPT codes 66762, 67101, 67105, and 67208) proposed for deletion from the ASC list are subject to the practice expense reduction. (CPT code 67921 (repair of entropion) is not subject to the practice expense reduction.)

OBRA '93 provides for an adjustment to practice expense relative value units (RVUs) for services for which practice expense RVUs exceed 128 percent of the work RVUs and that are performed less than 75 percent of the time in a physician's office setting. The 1994 practice expense RVUs are reduced by 25 percent of the amount by which the practice expense RVUs exceed the 1994 work RVUs. In 1995 and 1996, the excess, as determined for 1994, will be reduced an additional 25 percent each year. Practice expense RVUs will not be reduced to an amount less than 128 percent of the 1994 work RVUs for a service. Services performed more than 75 percent of the time in a physician's office setting are not subject to the reduction.

Services that are primarily performed in a physician's office setting are subject to a payment limit, called the site-ofservice limitation, if they are performed in an inpatient hospital or OPD setting. For these procedures, the practice expense RVUs are reduced by 50 percent. The limitation on the practice costs incurred in the OPD. Procedures on the approved ASC list are automatically excluded from this site-ofservice limitation.

We disagree that it is inappropriate to apply the site-of-service limitation to procedures subject to the practice expense reduction. These are two separate limitations established for different purposes. The practice expense reduction is designed to reduce the basic practice expense that has been determined by the Congress to be excessive; whereas the site-of-service limitation applies to procedures primarily performed in an office setting, when the procedures are performed in an inpatient hospital or OPD setting.

Procedures Intended for Deletion

In Addendum E of our December 1993 proposed notice, we published a list of procedures that we intended for deletion that were either recent additions to the list or had low-volume ASC performance or both. The following procedure codes in that addendum received comments.

Comment: Two commenters were opposed to the deletion of CPT code 64420, and one commenter opposed the deletion of CPT codes 65270 and 65272. The descriptions of these CPT codes follow:

CPT Code	Description
64420	Injection, anesthetic agent; intercostal nerve single.
65270	Repair of laceration; conjunctiva, with or without nonperforating laceration sclera, direct closure.
65272	Repair of laceration; conjunctiva, by mobilization and rearrangement, without hospitalization.

Response: We are retaining these procedures on our list, but we restate our intention to delete them in our next biennial update should they continue to fail to meet our criteria.

Assignment of Payment Groups

Comment: Three commenters disagreed with the proposed payment group assignment of CPT code 66180 (aqueous shunt to extraocular reservoir, (eg, Molteno, Schocket, Denver-Krupin)) to payment group 4. Two commenters, both physicians, recommended that the procedure be placed in payment group 7 because of the time required to perform the procedure and other factors related to postoperative recovery. One commenter, a professional society compared the procedure in terms of complexity to a scleral buckling procedure for retinal detachment (CPT code 67107) or the placement of a radioactive implant for an ophthalmic malignancy (CPT 67218), both of which are assigned to payment group 5.

Response: After consultation with our medical advisor, we concur with the professional society that CPT code 66180 more closely resembles procedures currently in payment group 5 in terms of time and resource consumption than it does those in payment group 4 or in payment group 7. We have therefore assigned this procedure to payment group 5. Payment for the aqueous shunt itself (HCFA