



Health innovation that matters

March 4, 2025

Members of the Senate Ways and Means Committee,

My name is Dave Weinberg and I am the Senior Manager of Government Affairs & Market Access for LivaNova, a Houston-based medical device company who manufactures the FDA-approved VNS Therapy™ System. VNS Therapy is an add-on neuromodulation treatment designed for people with drug-resistant epilepsy 4 years of age and older with partial onset seizures.<sup>1</sup>

I am advocating for Drug Resistant Epilepsy (DRE) patients and their prescribing neurologists who need improved surgical access to VNS Therapy device implants.

About 1/3 of epilepsy patients have DRE and suffer from both impaired quality of life and increased healthcare utilization. Unfortunately, Kansans currently face severe surgical access challenges that limit their ability to receive VNS Therapy, which could help Kansans suffering from DRE.

Our data shows that the annual average number of VNS Therapy Medicaid implants is only 58.

Kansas ranks in the bottom 10 for state Medicaid outpatient hospital reimbursement rates for VNS Therapy procedures nationally. The new implant rate (CPT 64568) is \$21,840 and the re-implant rate (CPT 61885) is \$10,652. *These rates were last set in 2009.* The negative impact of these low rates has led to only five remaining hospitals still performing VNS Therapy procedures. Thus, access to care impacts all eligible Kansans with DRE, not just Medicaid recipients.

We respectfully ask your consideration for a State General Fund increase of **\$420K** for Medicaid reimbursement for VNS. Specifically, we suggest that Medicaid's **new implant rate become \$40,000** and the **re-implant rate \$30,000**. We also suggest a coding modifier to CPT 64568 and CPT 61855 to delineate a VNS Therapy reimbursement case to avoid the state from reimbursing a hospital for a different neuromodulation implant procedure that shares those CPT codes.

For comparison, other state Medicaid VNS Therapy hospital reimbursement rates for a New Implant and a Re-Implant are, respectively: West Virginia, \$45,000 and \$40,000; Utah, \$52,882 and \$42,693; Indiana, \$44,291 and \$29,838; and South Carolina, \$36,000 and \$34,000. Nebraska reimburses the hospital the same rate for a New Implant and Re-Implant. Depending on the hospital, their rates are: \$27,452, \$32,924, or \$38,276.

VNS Therapy can safely lead to fewer and shorter seizures and better recovery after seizures, while also providing long-term improvements in seizure control. It can also offer quality of life improvements in alertness, memory, mood and cognitive skills. The most common side effects of VNS Therapy are voice alteration/hoarseness, coughing, sore throat, tingling of the skin, shortness of breath and infection (from the procedure). These side effects may become less noticeable over time.<sup>1,2</sup>

Health Economic Benefits and cost savings to payers may also be associated with VNS Therapy:

- A 4-year retrospective Kaiser Study showed a 99% decrease in ER visits and a 70% decrease in hospitalizations.<sup>3</sup>
- A retrospective health economic study of 7 different State Medicaid VNS Therapy patients (N>1,600) comparing costs before and post implant concluded that VNS Therapy is associated with significant reductions in ER and inpatient admissions resulting in the device paying for itself in 1.5 years.<sup>4</sup>
- We estimate that Kansas could potentially realize **\$4.7 million in cost savings** according to LivaNova's 5-year Budget Impact Model due to significant reductions in healthcare utilization.

Thank you for your time and interest in reviewing and considering a **\$420K funding increase** to the Medicaid budget for VNS Therapy outpatient hospital reimbursement so that access to care in the state can be improved.

I am happy to answer any questions that the committee may have on this subject and offer recommendations.

Sincerely,

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#### Citations:

- (1) VNS Therapy™ Physician's Manuals and VNS Therapy™ Patient's Guide for Epilepsy (available at <https://www.livanova.com/epilepsy-vnstherapy/en-us/hcp/product-manuals>) and VNS Therapy website for HCPs (<https://www.livanova.com/epilepsy-vnstherapy/en-us/hcp>) and patients (<https://www.livanova.com/epilepsy-vnstherapy/en-us>).
- (2) *Efficacy of vagus nerve stimulation over time: review of 65 consecutive patients with treatment-resistant epilepsy treated with VNS > 10 years*, Elliott et al, Epilepsy & Behavior, 2011.
- (3) *Vagus nerve stimulation therapy for pharmacoresistant epilepsy: Effect on health care utilization*, Bernstein, et al. Kaiser. Science Direct, 23 Jun 2006.
- (4) *Clinical and economic impact of vagus nerve stimulation therapy in patients with drug-resistant epilepsy*, Helmers, et al, Emory University School of Medicine, Epilepsy & Behavior, 17 July 2011.