

## Gore Applauds Medicare Announcement to Reclassify Endovascular Abdominal Aneurysm Repairs

*Decision comes after two-year effort to improve the alignment of payment with cost of treatment for abdominal aortic aneurysms*

**FLAGSTAFF, Ariz.— August 3, 2015** —W. L. Gore & Associates, Inc. (Gore) applauds the recent reclassification of endovascular abdominal aneurysm repair (EVAR) by the Centers for Medicare and Medicaid Services (CMS) to a new Medicare Severity Diagnosis-Related Group (MS-DRG) classification that will result in an increase in the hospital reimbursement for these procedures. The new MS-DRG classification, effective October 1, 2015, applies to minimally invasive catheter based interventions used for the repair of abdominal aortic aneurysms (AAAs). As a result, AAA treatment with devices such as the GORE® EXCLUDER® AAA Endoprosthesis will be classified into two new diagnosis-related groups (DRG) along with 12 other high cost aortic and cardiac conditions.

This decision was initiated following a data analysis effort conducted by Gore over the past two years aimed at improving the alignment of payment and cost. According to a study published in the February 2000 issue of the *Journal of Vascular Surgery*, the average hospital cost of EVAR was roughly \$20,000, while the mean reimbursement rate came in at just under \$19,000. Since then, treatment of AAA patients with EVAR has transitioned to include complex cases where previously surgery was the standard option. As such, the costs of EVAR have risen while reimbursement has remained relatively flat. Under the new classification, the reimbursement base rate for non-complex procedures will see an approximate 15 percent increase in payment while complex cases will receive an approximate 24 percent increase in payment. The increase in reimbursement provides relief to hospitals, and will help ensure that patients continue to have access to this therapy in their communities.

“As standard of care shifts from open surgery to minimally invasive forms of treatment, different types of resources are used. Hospital payments may not always reflect that change simply due to rate-setting methods,” said Don Goffena, Director of Reimbursement, Health Economics division at Gore. “It’s important for Gore to monitor how reimbursement rates are keeping pace with hospital costs as therapies evolve and gain in popularity. We noticed a disconnect in this case, and in collaboration with the Society of Vascular Surgeons as well as others committed to the advancement of EVAR, we were able to work with Medicare to make a change

that will improve the alignment of cost and payment for the benefit of the patients, hospitals, and physicians.”

EVAR procedures originally evolved as an alternative to highly invasive open surgical repair of AAA. Since the first reported North American use of EVAR in 1992, EVAR has been adopted as the standard of care for the treatment of clinically significant AAA. Today, it is estimated that EVAR accounts for nearly 80 percent of all intact AAA repair in the United States. This adoption reflects the quality improvements associated with EVAR over open surgical approaches, the advancements in technology which have furthered the applicability of the therapy to a broader set of patients, as well as reimbursement structures enabling patient access to these minimally invasive technologies.

“Gore continues to seek out ways to improve the entire experience a customer has with our products,” said Ryan Takeuchi, Aortic Business Unit Leader at Gore. “Our collaboration with CMS and other partners in this effort is another example of our commitment to ensuring patients, physicians, and hospitals have access to the latest technology for the treatment of aortic disease. Additionally, we remain dedicated to advancing our innovative medical devices to allow more patients the opportunity to receive their necessary aortic repairs through the least invasive means as possible.”

Gore has achieved several key milestones in its commitment to providing the most complete portfolio of products intended to durably treat patients with aortic disease. Most recently, Gore announced the initiation of a clinical study evaluating the new GORE® EXCLUDER® Conformable AAA Endoprosthesis. Furthermore, Gore is progressing its branched portfolio with the recent completion of enrollment in the GORE® EXCLUDER® Iliac Branch Clinical Study, as well as continued enrollment in various studies evaluating the GORE® TAG® Thoracic Branch Endoprosthesis for aortic arch aneurysms and the GORE® EXCLUDER® Thoracoabdominal Branch Endoprosthesis for the treatment of AAA encroaching on or involving visceral branch vessels.

For more information on the treatment of AAA, visit [www.goremedical.com/aortic](http://www.goremedical.com/aortic)

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At Gore, we have provided creative therapeutic solutions to complex medical problems for more than 35 years. During that time, more than 35 million innovative Gore Medical Devices have been implanted, saving and improving the quality of lives worldwide. Our extensive family of products includes vascular grafts, endovascular and interventional devices, surgical meshes for hernia and soft tissue reconstruction, staple line reinforcement materials, and sutures for use in vascular, cardiac, and general surgery. We are one of a select few companies to appear on all

of the US “100 Best Companies to Work For” lists since the rankings debuted in 1984. For more information, visit [www.goremedical.com](http://www.goremedical.com).

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