

Part B Insider (Multispecialty) Coding Alert

Chemotherapy: Oncologists To CMS: Give Us The Bad News First

Legislators write to CMS asking for payment rate information

If your office provides chemo- therapy services, you could be facing an uncertain fate next year.

The Medicare Modernization Act cut payments for chemotherapy drugs to 85 percent of average wholesale price in 2004 and set up a transition to average sales price in 2005. To offset these cuts, Congress increased practice expense RVUs for chemotherapy based on survey data collected by the **American Society for Clinical Oncology**. In addition, the law increased drug administration fees for 2004 by an "adjustment factor" of 32 percent.

But in 2005, this adjustment factor falls to 3 percent, and it's eliminated in succeeding years. Mean- while, it's uncertain how the Centers for Medicare & Medicaid Services will calculate average sales price. Oncologists will be reimbursed at 106 percent of ASP, and the **American Society of Hematology** warns that this amount may be below physicians' purchase price for some drugs.

The **House Ways and Means Committee's** summary of the MMA's drug provisions, released in February, says that practice expense payments for oncologists are expected to rise \$500 million in 2005. The effect of the move to 106 percent of ASP won't be known until sometime this spring, when CMS reviews data submitted by drug manufacturers.

Now oncologists and influential legislators are demanding that CMS release that information as soon as possible. A letter to CMS Administrator **Mark McClellan** signed by Reps. **Charlie Norwood** (R-GA) and **Lois Capps** (D-CA) insists that "Congress and the cancer community need this information so that we can begin to determine the extent of these reductions and their potential impact on cancer care."

Norwood and Capps are circulating a "dear colleague" letter urging other representatives to write to CMS on this issue. "Many cancer care providers are concerned that they will have to reduce services in response to the Medicare bill," they write. "While everyone supports restructuring the payment system to align payments more closely with the costs of drugs and services, there is concern that the continued uncertainty about the payment levels is already beginning to cause disruptions in care."

The sooner CMS releases those numbers, the likelier it is for Congress to make changes to the 2005 payment rates. But it may be difficult to obtain any relief from the coming shortfall because 2004 is an election year, and Congress is planning an abbreviated schedule to allow members to campaign in their districts, warns the ASH.