

## Part B Insider (Multispecialty) Coding Alert

### CHEMOTHERAPY PAYMENTS: Drug Payments For These Commonly Prescribed Drugs Drop Up To 38 Percent In July

#### Overall drug payments face 2 percent cut

If oncologists were hoping for a break from third-quarter 2005 drug payments, they were sadly mistaken.

Even though the **Centers for Medicare and Medicaid Services** has been collecting information from physicians who say they can't obtain drugs at the rock-bottom prices Medicare has been paying, the newest numbers don't show much improvement. CMS released the latest drug rates, based on 106 percent of Average Sales Price data, and many chemotherapy drugs were treated to sharp decreases.

The hardest hit include Cytarabine (J9100 and J9110), which dropped around 38 percent; Etoposide (J9181 and J9182), which dropped around 33 percent; and Carboplatin injection (J9045), which fell around 31 percent. Other drugs hit with serious decreases included Cisplatin injection (J9060 and J9062), Vinorelbine (J9390), Bleomycin sulfate (J9040) and Daunorubicin (J9150).

CMS insisted that it didn't hit the highest-volume drug codes hard. For 20 out of the top 40 most common drugs, payment amounts changed 2 percent or less. And for 18 out of the 40 highest-volume drugs, payment amounts actually increased, CMS says. But the average amount Medicare pays for all drugs will decrease by 2 percent in July, and so will the average payment for the top physician-administered drugs.

"The decrease in so many of the drugs that oncology practices use will be huge for several practices," says **Carolyn Davis**, director of reimbursement with **Oncology Hematology West** in Papillion, NE. Smaller practices, that can't take advantage of volume purchasing rebates, will have an especially hard time with these new rates. Davis says Oncology Hematology West will be looking at its drug regimens in the light of these new numbers.

CMS insists that the dropping drug prices prove that the Medicare drug payment reforms are succeeding and providers are finding drugs at lower prices. The agency says it can't find any evidence that patients are having trouble obtaining the drugs they need. If anything, early data shows that physicians are using more of these drugs in 2005 than in 2004.