

Part B Insider (Multispecialty) Coding Alert

Drug Payments: Medicare Slashes Drugs By Up To 60 Percent

But a few drugs actually enjoy a payment increase

If you figured the Medicare payments for Part B drugs couldn't get any worse, you could have a major shock coming.

The **Centers for Medicare and Medicaid Services** issued the updated drug reimbursements that take effect April 1, 2005, and some drugs face sharp declines. For example, the payment for carboplatin (J9045) drops 39.6 percent, from \$125.47 currently to \$75.75 in the second quarter, according to an analysis released by the **American Society of Clinical Oncology**.

Other drugs face steep payment declines as well. Lyophilized cyclophosphamide (J9093-J9097) drops around 60 percent, and regular cyclophosphamide (J9070-J9092) drops between 18.8 and 26 percent. Diphenhydramine (J1200) drops around 38 percent.

And a number of other drugs face smaller but still significant decreases, including pegfilgrastim injection (J2505), metoclopramide HCl injection (J2765), Rho(D) immune globulin (J2792), Cisplatin, powder or solution (J9060), cytarabine liposome (J9098), floxuridine (J9200), itosfamide (J9208), mesna (J9209), leuprolide acetate (J9218-J9219) and vinorelbine tartrate (J9390).

Some drugs received decreases retroactive to Jan. 1, including cladribine injection (J9065), which drops 10.7 percent, and epoetin alpha injection for non-ESRD use (Q0136), which drops 7.5 percent. You may have received incorrect payments for some drugs since January, experts warn.

Not all bad: Some drugs also see dramatic payment increases, such as [J7042](#) (5 percent dextrose/normal saline) which rises from 14 cents to 37 cents per dose, and J7060 (5 percent dextrose/water), which rises from 79 cents to \$1.13 per dose.

Dexamethasone acetate injection (J1094) increases from 25 cents to 33 cents per dose. Doxorubicin HCl rises from \$4.26 to \$5.39 per dose. Daunorubicin HCl (J9150) rises from \$27.43 to \$34.64 per dose. And two methotrexate sodium codes (J9250 and J9260) increase 28.6 percent and 23.1 percent, respectively.

New IVIG Codes on the Table

Separately, CMS announced in Transmittal 507 that it would introduce four new codes for intravenous immune globulin (IVIG) to replace the current J1563-J1564. As of April 1, Medicare will distinguish between lyophilized and non-lyophilized forms of IVIG. To bill for lyophilized IVIG, use Q9941 (1g) and Q9942 (10mg). And to bill for non-lyophilized IVIG, use Q9943 (1g) and Q9944 (10mg). Payments for non-lyophilized IVIG (Q9943-Q9944) will be around 31 percent less than those for lyophilized IVIG.

Editor's note: ASCO's analysis of the new payment amounts is at www.asco.org/asco/downloads/Drug_Payment_Comparisons_for_Q2_2005.pdf