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Drug Reimbursement: CMS Boosts Payments For Nine Drugs

Verteporfin, Octreotide among the biggest gainers

Physician practices that have been struggling with low reimbursement for many important drugs since the Medicare Reform law slashed payments across the board can breathe a sigh of relief.

In Transmittal R-119-CP, issued March 15, the **Centers for Medicare & Medicaid Services** boosted payments for nine of the hardest hit drugs.

CMS only recently boosted coverage for ocular photodynamic therapy with verteporfin for age-related macular degeneration. CMS settled a lawsuit last May by agreeing to convene a new Medicare Coverage Advisory Committee meeting to evaluate scientific evidence and make recommendations to CMS, particularly on verteporfin for patients with AMD with occult and no classic subfoveal choroidal neovascularization (CNV).

On Jan. 28, CMS issued a decision memo allowing coverage for verteporfin for both subfoveal occult with with no classic CNV associated with AMD, and subfoveal minimally classic CNV associated with AMD. These indications are reasonable and necessary when the lesions are less than four disk areas in size at the time of initial treatment or within three months prior to initial treatment, and when the lesions have shown evidence of progression during the three months prior to initial treatment.

But the reimbursement for verteporfin was still inadequate, physicians protested. And now, with Transmittal R-119-CP, CMS has relented on that score as well, raising the payment for J3395 (Verteporfin injection) to $1,404.26 per dose.

"It's actually a fix because they lowered it incorrectly really so they're fixing what they did. Last year we didn't have a problem," says **Raequell Duran**, president of **Practice Solutions** in Santa Barbara, CA. The drug is the most important factor in the cost of ocular photodynamic therapy, she adds. "There were people who were thinking about not providing a service because they were going to lose money providing it to patients."

Separately, two important chemotherapy drugs saw an increase. Octreotide acetate injection, 1 mg. (**J2353**) increased to $77.14 from $71.09 per dose. Oncologists use J2353 to report a "depot form" of octreotide in an intramuscular injection, usually used for diarrhea associated with chemotherapy for colon cancer.

And Gemcitabine, commonly known as Gemzar (J9201) increased to $111.33 from $101.90. This is approved for pancreatic cancer but often used for lung cancer, recurrent ovarian cancer and others as well. Usually, patients only receive one unit of this drug per dose, with three doses per day, says **Margaret M. Hickey, MS, MSN, RN, OCN, CORLN**, an independent oncology coding consultant based in New Orleans. Gemzar is frequently used in clinical trials.

"This is big news for oncology settings," adds Hickey. "I have spoken to a lot of cancer centers" about these drugs, and heard that many were considering discontinuing these drugs due to low payments. "The allowable in no way, shape or form covered the cost of the drug," she explains. Practices that had done a drug-by-drug analysis of their expenses and reimbursement had found Octreotide and Gemzar their two biggest money-losers.

Practices were sending patients to hospitals for therapies involving those drugs because of the non-reimbursed expenses, Hickey adds, including some patients who had been coming in regularly for years. "These two drugs across the board are really problematic for people."

Also boosted was J3240 (Thyrotropin alpha), to $585.65 from $552.50. Last year, this drug reimbursed at $617.50 per

unit, so the new boost hardly makes up for lost ground. Other drugs increased include J7320 (Hylan G-F 20), up to $204.03 per dose, J7342 (Metabolically active tissue) up to $14.42 per dose, Q3025 (Injection of interferon beta) to $80.22, J9206 (Irinotecan injection), up to $130.24, and J9045 (Carboplatin injection), up to $137.54 per dose.