

## **Part B Insider (Multispecialty) Coding Alert**

### **Drug Reimbursement: If Medicare Bill Falls, AWP Rule Will Emerge Quickly**

#### **Medicare reform bill appears stalled, negotiators "agree to disagree"**

If a Medicare prescription-drug bill doesn't emerge from Congress this year, the Centers for Medicare & Medicaid Services will be "pretty quick" to issue a new rule dumping the so-called Average Wholesale Price system of paying for outpatient drugs, CMS Administrator Tom Scully told reporters Nov. 5.

"There's no substantive reason not to do it" - patients won't be hurt - he said. "The only question is how much money to put back into practice expense" to compensate physicians for administering the drugs.

Congressional Medicare negotiators aren't giving up, but it's fair to say the odds seem relatively long against a conference report emerging, and even longer against any report passing in both the House and Senate.

For the first time, conferees who have been relentlessly optimistic in their public comments sounded pessimistic notes. The negotiators might "agree to disagree," conference chairman Rep. Bill Thomas (R-Calif.) told reporters Nov. 4.

As the calendar moves closer to Senate Majority Leader Bill Frist's (R-Tenn.) declared Nov. 21 adjournment date, the conference remains deadlocked on huge issues like premium support - the House plan that would put traditional Medicare into direct competition with private plans - and health savings accounts, another House provision that would expand and make permanent the existing Medical Savings Account demonstration program.