

Part B Insider (Multispecialty) Coding Alert

DRUG REIMBURSEMENT: Medicare Cuts 50 Drugs, Raises 49

Chemotherapy drugs are hit harder in reimbursement smackdown

Drugs are already being cut to 85 percent of average wholesale price in January, but some drugs are facing steeper cuts than others. The Centers for Medicare & Medicaid Services just unveiled its January 2004 drug pricing file under the single-drug price (SDP) methodology.

But a grand total of 50 drugs are facing steeper cuts in January. Many of them will drop an extra 10 percent on top of the cut from 95 to 85 percent of AWP.

The targets include a number of chemotherapy drugs: [J9017](#) (Arsenic trioxide), J9060 (Cisplatin, powder or solution), J9130 (Dacarbazine), J9170 (Docetaxel), J9185 (Fludarabine), J9209 (Mesna), J9215 (Interferon alfa), J9218 (Leuprolide acetate), J9265 (Paclitaxel), J9268 (Pentostatin), J9340 (Thiotepa) and J9360 (Vinblastine) will all drop more than 10 percent next year. Codes for cyclophosphamide, lyophilized, J9093-J9097, also face cuts.

Some 49 drugs also received slight increases for the new year, but will most likely be canceled out by the overall cut to drug reimbursements.

This year is the last year the average wholesale price will matter. In 2005, all drugs will drop to 106 percent of the "average sales price," a new measure based on acquisition costs.