

Part B Insider (Multispecialty) Coding Alert

Legislation: Medicare Reform Bills Spell Pain for Physicians

It's not all goodies in the Medicare reform bills passed by the House and the Senate late last month. There are a few provisions that could hurt physicians badly, including:

Drug cuts. Oncologists, beware: Both the House and the Senate bills have it in for you. The House bill would reduce drug payments to 112 percent of Average Selling Price, from the current 95 percent of Average Wholesale Price. This would slash about \$700 million from the cancer care system, says the **American Society for Clinical Oncology**.

To make up for this hit, the House would increase oncologists' practice expenses by \$190 million. This represents an 80 percent increase over what's currently paid, but still way under oncologists' costs, says ASCO's **Jenny Humann**. "We're working to develop some kind of compromise."

The Senate bill would slash payments from 95 percent of AWP to 85 percent of AWP, then gradually reduce them to actual acquisition cost. And the Senate would also add about \$190 million to expense payments.

Lab copayments. Physicians who operate their own labs would have to charge a 20 percent copayment for lab services, under a provision in the House bill. "The biggest issue of course with lab copay is the fact that it'll cost more to collect them than the copay itself," says a spokesman for the **College of American Pathologists**. Physicians also complain about the chilling effect this would have on lab tests.

ICD-10 diagnosis coding. Think the ICD-9 coding system is confusing? Wait until next year. A provision in the House bill that is intended to require hospitals to adopt the ICD-10 Codes is so broadly written that it could also require physicians to start using ICD-10 codes for inpatient services or even for all services, warns the **Alliance of Specialty Medicine**.

"We feel like that's inappropriate and it would bring about a real upheaval," says **Rich Trachtman**, director of congressional affairs with the **American College of Physicians**.

Electronic prescriptions. Both the House and Senate bills would require physicians to prescribe electronically as part of a new drug benefit, says Trachtman. This aims to reduce errors but is a huge "unfunded mandate," he argues.