Part B Insider (Multispecialty) Coding Alert

MEETINGS: Don't Let Drug Bidders Drive Down Our Prices, Physicians Say

Watch out for access problems after Medicare cuts, PPAC warns

The **Centers for Medicare & Medicaid Services** hadn't received a single bid from a vendor wanting to participate in the Competitive Acquisition Program (CAP) for Part B drugs when it put the CAP on hold, CMS officials admitted. The CAP has now been delayed by six months.

However, at an Aug. 22 meeting, the **Practicing Physicians Advisory Council** detailed its recommendations for CMS on how to fix the program.

First, PPAC requested that CMS allow physicians to join the CAP as individuals. Currently, physician practices must choose as a group whether to join. That rule could pose a problem for multi-specialty groups where only some specialties are able to work with the CAP.

PPAC also recommended that CMS remove the prices that vendors pay for drugs from its calculations of average sales price (ASP). Currently, CMS pays providers for Part B drugs based on ASP plus 6 percent. House Ways and Means Committee Chair **Bill Thomas** (R-CA) has been quoted as saying that CAP prices weren't supposed to be part of the ASP calculation.

Physicians who participate in the CAP program will have to order the drugs, receive them and store them with the specific patient's prescription information, and then notify the CAP vendor when they've provided the drugs. So PPAC asked CMS to admit that the CAP program really does include some administrative burdens. In addition, PPAC asked that CMS give practices 30 days, instead of 14, to bill for drugs.

"I have my doubts that this is going to work very well," PPAC member **Peter Grimm** says of the CAP program. Adding an intermediary between doctors and drug companies won't add more money to the system, and vendors will only participate if they can make a healthy profit, Grimm predicts.

CMS recently decided to pay hospital outpatient departments ASP plus 8 percent instead of ASP plus 6 percent, to account for the extra overhead that pharmacies carry. PPAC asked CMS to give physicians equal treatment, and add an extra 2 percent to their drug payments as well.

Delay New PE-RVU Formula, PPAC Says

PPAC also requested examples of the new formula CMS plans to use to calculate practice expense RVUs. CMS said in the 2006 physician fee schedule proposed rule that it plans to start calculating PE-RVUs based on the costs to provide each service, instead of deriving the cost per-service from each specialty's overall costs.

Because this drastic change could cause huge shifts in PE-RVUs for some codes, CMS said it would phase in the new system over four years. But PPAC recommended that CMS wait to start implementing the system until the **American Medical Association** and other societies have had a chance to study the issue.

PPAC would like to select groups of Medicare patients to serve as the "canary in the coalmine" for access problems. If next year's steep 4.3-percent cut goes through, the AMA has warned that many physicians may restrict access to Medicare patients.

As a result, PPAC wants Medicare to keep an eye on patient groups, such as dual Medicare-Medicaid patients and patients without Medigap insurance, to see if they experience difficulties obtaining care. And PPAC asked CMS to develop a plan to address declines in access before the problems become widespread.

PPAC further recommended that CMS allow providers to resubmit claims electronically. Right now, if you submit a claim electronically and it has an error, you must resubmit on paper - even if the carrier made the error or the error was minor.

Also, PPAC requested that CMS allow hospitals to provide free continuing medical education to medical staff without being accused of providing kickbacks.

During its meeting, PPAC focused particularly on the costs of data collection. The group discussed the expenses associated with a current program that works with CMS to reduce surgical complications by gathering accurate data on outcomes and quality. PPAC recommended that CMS recognize that collecting data is expensive, and that Medicare and other payors should pay adequately for the expense of collecting any data they require.

Finally, PPAC encouraged CMS to make sure the **Alliance for Cardiac Care Excellence** (ACE) program works to improve cardiac care among minorities. PPAC members were worried that as the ACE improves cardiac outcomes among the majority, it will mask the worse cardiac outcomes among minorities.