

## Part B Insider (Multispecialty) Coding Alert

### Oncology: Another Nail in Coffin For Cancer Care Next Year

No matter how you protest that your payments for chemotherapy and other drugs are inadequate, Medicare just won't listen. And now it's got more justification for its reductions.

A new report from the **HHS Office of Inspector General** says you actually received more than your costs for drugs as a result of the average sales price (ASP) system.

The ASP system reduced Medicare reimbursement for cancer treatment drugs in the past, but an Oct. 5 OIG report claims that Medicare's drug payments in 2005 are sufficient. Hematology, hematology/oncology and medical oncology [Physician Practice](#) now receive Medicare payments for oncology drugs that are higher than the ASP, the OIG says.

The OIG based its conclusions on statistical estimates of average prices that physician practices paid for 39 payment codes associated with the three specialties. The average prices paid for 35 of the 39 payment codes were less than Medicare's reimbursement amounts, the OIG reports.

The OIG's findings suggest that the ASP system, "which generally reduced Medicare reimbursement for oncology drugs beginning in January 2005, has resulted in Medicare paying more appropriately for these drugs," **Centers for Medicare & Medicaid Services** Administrator **Mark McClellan** writes in a response letter to the OIG.

To read the audit report, go to [www.oig.hhs.gov/oas/reports/region6/60500024.pdf](http://www.oig.hhs.gov/oas/reports/region6/60500024.pdf).