

Part B Insider (Multispecialty) Coding Alert

ONCOLOGY DRUGS: Final Rule Cutting Drug Payments Expected by Nov. 1

CMS takes on board ASCO practice expense survey

If your practice dispenses chemotherapy drugs or other medications incident-to a physician's services, you can breathe a sigh of relief.

The Centers for Medicare & Medicaid Services reversed itself and said it would use data from a survey by the American Society of Clinical Oncology to set practice expense payments for cancer drugs, CMS officials told an Oct. 15 physician Open-Door Forum. Not only that, but the increase to practice expense payments won't reduce other physician expense payments, a major victory for doctors.

ASCO had submitted its practice expense data from a Gallup survey to the Lewin Group, which analyzed it on behalf of CMS in late 2002 (see PBI, Vol. 4, No. 6, page 20). CMS had said in the 2003 fee schedule rule that it had concerns about the ASCO data.

But CMS officials told the forum that the agency had decided to use the ASCO data after meeting with the association. This will "cause an increase in payment for chemotherapy administration codes" as well as all other drug administration codes, one official said.

Physicians had worried that any increase in RVUs for drug administration would have to come out of payments for other Physician Coder, because the law requires CMS to make all such changes in a budget-neutral way. But CMS decided that the Benefits Improvement and Protection Act gave it special authority to raise payments without cutting other physician payments to balance things out.

One California oncologist asked whether CMS would start paying separately for supplies along with chemotherapy drugs, but the officials said that the increase in administration payments would include the cost of supplies.

The comment period for CMS' proposed rule on drug payment reform ended last week, and CMS hopes to have a final rule out by Nov. 1, officials said. They didn't comment on which of the four models for drug reform in the proposed rule would come to fruition.

Two groups of independent analysts just submitted reports to the Medicare Payment Advisory Commission showing that private insurers agree with Medicare that the average wholesale price method is rife with overpayment.