

Part B Insider (Multispecialty) Coding Alert

PART B DRUGS: OIG To CMS--51 Drugs May Be Overpriced

Watchdog wants tougher method for calculating ASPs

A few dozen Part B drugs could be facing steep drops to their already-low reimbursements soon.

The law gives the **Centers for Medicare & Medicaid Services** the authority to slash drug payments if the average sales price (ASP) is at least 5 percent higher than the average price the manufacturer actually charges. Medicare pays for Part B drugs based on ASP plus 6 percent.

And the HHS **Office of Inspector General's** latest report says that 51 drugs had ASPs that were at least 5 percent higher than manufacturer prices, if you use CMS's method of calculating ASPs. If you use the OIG's preferred method, only 38 drugs were over by 5 percent or more. Some 34 drugs met the threshold, whichever method you use.

Don't panic: CMS isn't going to leap to make any changes to ASPs in response to the OIG's report. CMS responded that the OIG was using data from the early stages of the ASP pricing system, and most of the overestimates the OIG found have disappeared by now.