

Part B Insider (Multispecialty) Coding Alert

PHYSICIAN NOTES: CMS Comes To Your Rescue On IVIG Payments

One code will increase 12 percent next year

Your payments for Part B drugs won't change much in the third quarter of 2006--except for intravenous immune globulin (IVIG).

The **Centers for Medicare & Medicaid Services** says payment amounts for all drugs, including the drugs you administer most often, will rise by around 0.5 percent on July 1. Physicians administered these drugs more often in 2005 than in 2004, according to CMS.

Payment amounts changed by less than 2 percent for 28 out of the 50 most-prescribed drugs. Payments went up for 30 out of the top 50 drugs, and three drugs remained the same. CMS says some of the top drugs saw decreases due to multiple sources, alternative therapies, new products or the rise of lower-priced products.

Good news: Your IVIG squeeze may be almost over. Many advocacy groups and physicians had warned that patients were having a hard time obtaining IVIG at CMS' payment rates. (See PBI, Vol. 6, No. 24.) In response, CMS is raising payments by 11.9 percent for powdered IVIG and 3.5 percent for liquid IVIG.

CMS says it will keep working with manufacturers and other groups to try and figure out ways to make IVIG accessible to patients.

Note: You can see the new payment rates online at: www.cms.hhs.gov/McrPartBDrugAvgSalesPrice/02_aspfiles.asp

In other news:

• [A health plan had the right to withhold a physician's payments to recoup past overpayments, the U.S. Court of Appeals for the Second Circuit found in a recent case \(05-6096-cv\).](#)

[An audit found New York internal medicine doctor **Clinton Sewell** upcoded his office visits in claims to the **1199 National Benefit Fund for Health and Human Services**, which provides medical services to union members. Sewell billed 99.7 percent of his new patient visits at the highest level evaluation & management code, compared with 30.2 percent for other doctors.](#)

[Instead of choosing his E/M levels based on history, physical exam and decision-making, Sewell assigned himself "units" based on the amount of time he spent with the patient and the complexity of the patient's problems. For each "unit," Sewell gave himself five dollars. Then he billed the code that matched the dollar amount he felt he deserved.](#)

[The health plan downcoded all of Sewell's new claims one level to recoup the \\$200,000 it said Sewell upcoded. Sewell argued that this was "arbitrary and capricious" behavior, but the court ruled that the plan had the right to recoup the payments, and downcoding all his visits was a reasonable alternative to investigating each incoming claim.](#)