

Part B Insider (Multispecialty) Coding Alert

Physician Notes: CMS Rolls Back ASC Procedure Rates to 2002 Configuration

Group 9 ASCs receive \$1,339 group payment rates

A little-noticed provision of the recently signed Medicare reform law will make a big change in ambulatory surgery center payment rates.

Beginning April 1, the increase in ASC payment rates will consist of the consumer price index for all urban consumers for the year ended March 31, 2003, minus 3 percent. Because the annual [CPI update](#) for that period was 3 percent, the net increase will be zero.

In other words, expect to see ASC payment rates revert to Oct. 1, 2002, levels. Group 1 providers will receive \$333 in group payment rates, while Group 9 providers will receive \$1,339, and other groups' reimbursements will range between those two numbers.

The wage index rates remain unchanged from the amount calculated based on an Aug. 8, 2003, transmittal, CMS states.

1. The Federal Trade Commission announced Dec. 24 that it has accused the Piedmont Health Alliance Inc. of Hickory, N.C., with illegally restricting competition by collectively bargaining with insurers. PHA says it has cooperated with the FTC but says the agency's charges are without merit, the Associated Press reports.
2. Payments for widely used pharmaceuticals could thin out if the HHS Office of Inspector General gets its way.

In one of three scathing reports on drug reimbursement released Feb. 2, the OIG says Medicare paid \$677 million for the cancer drug Lupron - or 8 percent of all drug reimbursements for that year. According to OIG data, Medicare could have saved \$40 million if carriers in all jurisdictions had implemented a least costly alternative policy. One dose of a cheaper clinical equivalent, Zoladex, costs \$446.49 - 27 percent less than the \$611 for Lupron, the agency says in "Medicare Reimbursement for Lupron" (OEI-03-03-00250).

Separate reports also targeted spending for respiratory drugs albuterol and ipratropium bromide, which cost Medicare \$263 million and \$386 million, respectively, more than other payers.

CMS agreed in part with these reports but said its role in overseeing local medical review policies stopped short of influencing the "application of guidelines in any specific circumstance." To see the reports, go to <http://oig.hhs.gov/w-new.html>.

3. The Department of Health and Human Services launched a national TV ad Feb. 3, the major part of its first education campaign on the Medicare reform bill. The 30-second spot lays out basic information about the new prescription-drug benefits. The ads are slated to run during network and cable programs with heavy Medicare viewership.