

## Part B Insider (Multispecialty) Coding Alert

### Physician Payments: Congressmen Call For Drug-Free Physician Growth Rate

Physicians are getting shafted because drug expenses make their payments look as if they're growing faster than they really are.

That's the theory advanced by two influential congressmen who want the **Centers for Medicare & Medicaid Services** to fix the Sustainable Growth Rate that determines physician payment updates. If the proposal by Reps. **Billy Tauzin** (R-La.) and **Michael Bilirakis** (R-Fla.) takes effect, it could save physicians from the 4.2 percent decrease CMS has predicted for next year.

In a June 3 letter to CMS Administrator **Tom Scully**, Commerce Committee Chairman Tauzin and Health Subcommittee Chairman Bilirakis call on Scully to remove drug expenses from the SGR. They note that section 1848 of the Social Security Act calls on CMS to include "physicians' services" in calculating how much physician expenses have risen since the previous year.

But the SSA doesn't require CMS to include drug payments in those "physicians' services," Tauzin and Bilirakis say. The definition of "services" in the relevant passage of the SSA merely refers to "other items and services," including diagnostic laboratory tests and radiology services, commonly performed or furnished by a physician or in a physician's office.

The law leaves it up to CMS to decide which items and procedures to include in that broad mandate. And the two powerful congressmen urge CMS to rethink the provision's current breadth. "Such a move is justified from both a policy and a legal perspective and would go a long way toward improving Medicare beneficiaries' access to [physician services](#)," they write.

They also note that CMS has excluded drugs from the definition of "services" when it comes to other provisions of the law. CMS should be consistent in applying the language, they argue.

The legislators say that Medicare drug spending has increased 242 percent between 1996 and 2002, from \$1.8 billion to \$6.2 billion. This is way out of proportion with the 36 percent increase in physician services during that time. Because of its meteoric rise, drug spending accounted for 8.7 percent of all spending counted toward physician growth estimates in 2002, up from 3.7 percent in 1996.