

Part B Insider (Multispecialty) Coding Alert

Prescription Medications: Medicare Drugs Slashed Up To 90 Percent Next Year

Administration fees soar from 2003, but plummet from 2004

If your practice provides prescription medications, prepare now for some serious sticker shocks in January. The **Centers for Medicare & Medicaid Services** put out its first estimates of the deep cuts it has in store for medications you use to fight ailments such as cancer and lung disease. CMS announced new rates for physician-administered drugs, already covered under Part B, unlike the self-administered drugs, which Part D will cover starting in 2006.

Provider groups are already protesting, but, in a July 27 conference call with reporters, CMS Administrator **Mark McClellan** said some of the cuts are balanced by increases in the separate fees physicians receive for administering the drugs. Both physician groups and CMS have said these fees were sometimes too low, but, said McClellan: "Now, we have new tools to pay appropriately for each drug and the services that go along with them, rather than having an overpayment for drugs subsidize an underpayment for services."

McClellan said drug-administration fees would be 110 percent higher in 2005 than they were in 2003. But because transitional add-on payments physicians received in 2004 will decrease from 32 percent to 3 percent, the net amount of administration fees will drop a shocking 170 percent from 2004 to 2005.

For example, 96408 (Chemotherapy, push technique) rose from \$37.52 in 2003 to \$154.76 in 2004, but will fall to \$122.96 in 2005. Similar dramatic rises and falls affect 90780 (IV infusion therapy, 1 hour), which rose from \$42.67 to \$117.79 but will fall to \$92.90 and 94610 (Chemotherapy, infusion method), which rose from \$59.22 to \$217.35 but will fall to \$171.75.

CMS projects that, overall, the 2005 rule would save Medicare \$530 million in 2005 drug-related payments. Of that, \$270 million would flow to beneficiaries in lower Part B premiums and cost-sharing. These figures could change based on comments, which are due by Sept. 24. The proposed rule appeared in the Aug. 5 Federal Register.