

Part B Insider (Multispecialty) Coding Alert

Studies & Surveys: Chemo Reimbursement Not Covering \$144 Million Cost

If your oncology practice is feeling short-changed, it could be for a reason.

Chemotherapy administration payments were nearly 50 percent less than practice expenses in oncology practices, according to study data presented by the Washington-based **Moran Company**. Not only that, but on average the Resource-Based Relative Value System (RBRVS) only reimburses physicians for 70 percent of the cost of treating Medicare patients, the study found.

This happens because Medicare "blends" practice expenses across specialties and thus factors out specialty-specific expenses, the Moran study explained. Moran is also conducting a second study on the changes in oncology practices in 2005. **The National Patient Advocate Foundation** commissioned both studies and presented the data it's already received from Moran at a Feb. 17 meeting with the **Centers for Medicare and Medicaid Services**.

A second study, performed for the NPAF by the **University of Utah's Pharmacotherapy Outcomes Research Center**, found that preparing a chemotherapy dose costs physicians on average \$36.03. Multiplied by the total number of chemotherapy infusions per year, this adds up to \$144 million per year, the study noted.