

Part B Insider (Multispecialty) Coding Alert

STUDIES & SURVEYS: Massive Decreases In Drug Payments May Be Coming Your Way

Medicare overpaid \$110 million for Part B drugs in 2005, says OIG

It may be hard to believe, but the **HHS Office of Inspector General** believes you could be getting paid too much for many Part B drugs. The OIG says that inconsistent accounting practices have led to CMS overestimating many drug costs. ("Calculation of Volume-Weighted Average Sales Price For Medicare Part B Prescription Drugs," OEI-03-05-00310).

Some 46 percent of drug codes had more reimbursement than they should have, which meant Medicare overpaid you by \$115 million in 2005. For another 13 percent of drug codes, Medicare underpaid, meaning you lost an estimated \$5 million.

Recommendation: The **Centers for Medicare & Medicaid Services** should correct its method of calculating drug reimbursements, the OIG advises. The discrepancies in drug payments may only get more significant as CMS continues to adjust drug payments in response to OIG surveys.

Result: CMS agreed with the OIG's findings and said it would consider adjusting the way it calculates drug payment levels. But CMS said it offered its current formula for public comment in the Federal Register, and the agency is still getting used to calculating drug payments based on Average Sales Price instead of Average Wholesale Price.

OIG Allergic To Substandard Care

Medicare paid \$75 million for allergen immunotherapy and related services that didn't come up to proper standards, the OIG says in another report. ("Allergen Immunotherapy For Medicare Beneficiaries," OEI-09-00-00531). Some 31 percent of allergy treatments in 2001 weren't medically necessary. Another 7 percent were billed with an incorrect code, and 29 percent were undocumented.

Not only that, but some carriers have come up with local standards that don't follow national guidelines for allergy care, the OIG warns. One carrier allows injections to be given at home, even though the national **Joint Taskforce on Practice Parameters** says patients should receive shots only in a clinic setting because of the risk of adverse reactions.

Roughly 70 percent of allergy patients in 2001 received care that didn't follow professionally recognized standards of care, the OIG adds. One in five patients didn't have a condition that required allergy shots. And another 13 percent had conditions that contraindicated the use of allergy shots.

Medicare payments for allergy shots increased from \$130 million in 2001 to \$171 million 2003. The OIG did a study of 1,434 allergen immunotherapy treatments given to 400 allergy patients in 2000, and found most patients received "substandard and poorly documented care." These findings led the OIG to look further at allergy claims in 2001.

Recommendation: The OIG urged CMS to come up with national coverage guidelines for allergen immunotherapy and related treatments. Also, CMS should have the carriers educate physicians on allergy billing. CMS responded that it will take a year to issue a new national coverage determination, or to adopt Joint Taskforce guidelines as Medicare standards.