

Part B Insider (Multispecialty) Coding Alert

Studies & Surveys: Medicare Should Be a Smart Buyer of Tech

With Medicare facing serious financial constraints, experts say the program needs to find more cost-effective ways to pay for shiny new tech.

To help find the answer, the **Medicare Payment Advisory Commission** hired **Project HOPE** to conduct a study of large public- and private-sector purchasers, plus a panel of experts.

The study of large purchasers found they use negotiation, competitive bidding and other strategies to reduce costs of new technologies. The big payers do pay manufacturers' prices for "breakthrough products" with no competition. Payers invest in keeping track of new technologies, contract directly with manufacturers, and use policies and other tools to keep prices down. Other payers also impose higher copayments for some items, guidelines for technology, prior authorization, and required copies of invoices.

The experts on the panel admitted that the strategies used by other payers may not be easy for Medicare to adopt. Medicare faces limits other payers don't, but the program can make judgments about the benefits of technology compared to existing therapies versus their costs.