

New Option for Purchasing Injectables to Start in 2006

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A new Medicare program to start next year will take some of the gamble—and administrative hassles—out of providing injectable drugs to patients.

The arrangement, known as the Medicare Competitive Acquisition Program for Part B Drugs and Biologicals, “provides an important alternative method of drug acquisition for rheumatologists and other physicians for whom the [current] payment methodology is burdensome and, in some cases, does not cover their acquisition costs for drugs,” Joseph Flood, M.D., government affairs committee chair of the American College of Rheumatology (ACR), told this newspaper.

Under the current system, physicians purchase the drugs themselves from a distributor or manufacturer and then bill Medicare for reimbursement, which is set at a statutorily mandated payment rate of 106% of the manufacturer’s average sales price (or ASP + 6%). Medicare pays 80% of this rate to the physician, and the physician collects a 20% coinsurance payment from the beneficiary.

Given fluctuations in what distributors and manufacturers charge for the drugs, however, in some cases Medicare’s reimbursement can fall short of what the drugs actually cost.

Physicians who elect to participate in the competitive acquisition program will obtain drugs from a preselected list of vendors, and these vendors will take on the responsibility of billing Medicare for the drugs and collecting coinsurance or deductibles from patients. At this point, it’s not clear how many vendors will be participating in the program, but all will have to meet certain quality, program integrity, financial stability, and service standards.

Once a year, physicians who provide health care for Medicare beneficiaries will have the option of electing to participate in the program and at that point select a vendor to be their primary drug source. All physician participants will continue to submit procedural claims to Medicare for the cost of administering the agents.

Having fewer administrative and financial burdens should free doctors “to focus more on providing treatments for their patients,” Centers for Medicare and Medicaid Services (CMS) administrator Mark McClellan, M.D., said in a statement.

Taking physicians out of the drug administration’s financial chain should help insulate them from price fluctuations that can occur under the current system, a CMS spokeswoman noted in an interview. While it’s true that physicians may miss out on profits if acquisition costs from the supplier are less than the average sales price, physicians can also take a hit if the acquisition costs exceed that price, she explained.

Officials at ACR praised the fact that the competitive acquisition program wasn’t created exclusively for oncologists. “All physicians participating in Medicare have

the opportunity to participate” in this voluntary program, according to a statement from the law firm Patton Boggs L.L.P., the government affairs representative for the ACR.

Physicians who decide not to participate in the new program may continue to purchase drugs directly from the suppliers. “We support our members’ right to choose the method of drug acquisition and payment that makes the most sense for their particular practice,” Dr. Flood said.

The American Society of Clinical Oncology (ASCO) lobbied for the competitive bidding process to be available for all drugs, “and CMS went pretty far down that road” in order to meet that request, Joseph S. Bailes, M.D., cochair of the government relations council for ASCO, said in an interview.

One drawback of the program is that for vendors and CMS to have enough time to reconcile claims data—and thus for vendors to get paid—physicians have just 14 days to submit to Medicare carriers procedural claims, including all necessary codes, for the administration of the drugs. That quick turnaround time may prove to be too challenging for some rheumatology practices. Individual providers should seriously consider whether they have the staff resources to meet that deadline before enrolling in the program.

Noting that “14 days was too short a period of time” for practices to process the claims, Dr. Bailes said that ASCO and the ACR tried but failed to convince CMS to extend the deadline to 30 business days.

Another possible wrinkle, Dr. Bailes noted, may occur because vendors can elect not to ship a drug if the patient has not met some of the copay obligations. “This could raise a problem,” he said.

Drug distributors themselves don’t seem comfortable with the idea of collecting deductibles and coinsurance from the beneficiaries. “Distributors typically do not have direct patient contact,” Scott Melville, senior vice president of government relations at the Healthcare Distribution Management Association, a trade group representing full-service drug distributors, wrote in comments on the proposed rule to the new bidding process.

Medicare beneficiaries may have difficulty keeping track of their coinsurance amounts, “and they may not be inclined to pay a vendor with whom they only have an impersonal business relationship,” Mr. Melville cautioned.

The trade group did not comment directly upon the competitive acquisition program.

The interim rule creating the new program took effect in June, although CMS will be seeking additional comments until Sept. 6. The agency plans to receive bids from vendors later this summer and award contracts in early fall, in anticipation of starting the program in 2006. ■

For more information about the competitive acquisition program, go to www.cms.hhs.gov/providers/drugs/compbid.

MANAGING YOUR DERMATOLOGY PRACTICE

Searching the Web, Part 2

My recent column on Web searching techniques has generated more questions, comments, and discussion than any other. (If you missed that column, you can find it on the SKIN & ALLERGY NEWS Web site, www.skinandallergynews.com. Click on “The Archive Collection” on the left-hand side.)

Obviously this is a popular topic. As well it should be, because as I mentioned in that column, the sheer volume of information on the Web makes quick and efficient searching an indispensable skill.

But once you have become quick and efficient at finding the information you need, a new problem arises: The information changes! All the good medical, news, and other information-based Web sites change and update their content

on a regular but unpredictable basis. And checking each one for new information can be very tedious, if you can remember to do it at all.

Many sites offer an e-mail service to notify you of new content, but multiple e-mail subscriptions clutter your inbox and often can’t select out the information you’re really interested in. RSS feeds are a more efficient and increasingly popular method of staying current on all the subjects, medical and otherwise, which interest you.

RSS (which stands for “Rich Site Summary” or “Really Simple Syndication,” depending on whom you ask) is a file format, and Web sites use that format (or a similar one called “Atom”) to produce a summary file, or “feed,” of new content, along with links to full versions of that content. When you subscribe to a given Web site’s feed, you’ll receive a summary of new content each time the Web site is updated.

Thousands of Web sites now offer RSS feeds, including most of the large medical information services, all the major news organizations, and many Web logs.

To subscribe to feeds you must download a program called a “feed reader,” which is basically just a browser specializing in RSS and Atom files. Dozens of readers (also known as “aggregators”) are available, and more are coming as RSS grows in popularity. Some can be accessed through browsers, others are integrated into e-mail programs, and still others run as standalone applications.

Many readers are free, but you’ll pay a nominal fee for those with the most advanced features. (As always, I have no financial interest in any of the enterprises discussed in this column.) A comprehensive list of available readers, free and otherwise, can be found at

http://en.wikipedia.org/wiki/List_of_news_aggregators.

It’s not always easy to find out whether a particular Web site offers a feed, because there is no universally recognized method of indicating its existence. Look for a link to “RSS” or “Syndicate This,” or an orange rectangle with the letters “XML” (don’t ask) or “RSS”. These links aren’t always on the home page. Sometimes, on the site map, you’ll find a link to a Web page explaining available feeds and how to find them.

Some of the major sites have multiple feeds to choose from. For example, you can generate a feed of current stories related to the page that you’re looking at on Google News by clicking the RSS | Atom links on any Google News page.

Once you know the Web address (URL) of the RSS feed you want, you provide it to your reader program, which will monitor the feed for you. (Many RSS aggregators come preconfigured with a list of feed URLs for popular news Web sites.)

In addition to notifying you of important news headlines, changes to your favorite Web sites, and new developments in any medical (or other) field of interest to you, RSS feeds have many other uses. Some of the more popular ones are notification of arrival of new products in a store or catalog, announcing new newsletter issues (including e-mail newsletters), weather and other changing-condition alerts, and notification of additions of new items to a database, or new members to a group.

And you can expect to see many more new uses of RSS feeds in the near future.

It can work the other way, too: If you want readers of your Web site to receive the latest news about your practice, such as new treatments and procedures you’re offering, you can create your own RSS feed. Any competent Web administrator will know how to do it, or you can do it yourself if you’re so inclined.

Some will insist on doing it from scratch, but for the rest of us, a multitude of tools is available to simplify the process. (If your site includes a blog, for example, many blogging tools automatically create RSS files.)

Detailed instructions abound. You can find them easily with—what else?—your favorite search engine!

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