

Study on impact of changes in Medicare payments for Part B drugs

ISSUE: How have changes in the way Medicare pays for physician-administered drugs and drug administration services affected physician practices and access to services for Medicare beneficiaries receiving physician-administered drugs other than chemotherapy?

KEY POINTS: The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) changed the way Medicare pays for physician-administered drugs and drug administration services. The Congress directed MedPAC to evaluate the effect of these changes on quality of care, beneficiary access, and physician practices in different areas of the country and different practice sizes. The first report, delivered to Congress on January 1, 2006, focused on services provided by oncologists. The second report, due January 1, 2007, focuses on drug administration services provided by other specialties. This report focuses on the experiences of urologists, rheumatologists, and infectious disease specialists.

For our report we will analyze claims data and drug pricing data. We conducted structured interviews with physicians, hospital administrators, beneficiary advocates, pharmaceutical manufacturers, wholesalers, and other stakeholders. We visited sites in five states and metropolitan areas from 2004 to 2005 to meet with urologists and rheumatologists. We have also visited the offices of infectious disease specialists in 2006.

ACTION: Commissioners should discuss issues related to ASP and ways to determine the effects of the payment changes on quality of care

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