

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

Title: Medicare Reimbursement Formula for Oncologists Administering Drugs

Introduced by: Cheryl Farmer, MD, for the Washtenaw County Delegation

Original Author: Cheryl Farmer, MD

Referred to: Reference Committee A

House Action: **REFER**

Whereas, oncologists currently purchase chemotherapeutic agents for in-office administration to patients and bill Medicare for the purchase cost plus an additional 6 percent of the cost of the chemotherapeutic agent as reimbursement for the infusion or injection of said agent, and

Whereas, the 6 percent reimbursement becomes 4.3 percent with prompt pay discounts, and

Whereas, the time and attention required to administer one chemotherapeutic agent compared to another has no relation to its cost, and

Whereas, the current Medicare reimbursement strategy poses financial risks to practices and creates a perverse incentive to prescribe a newer, more expensive drug when an older, less expensive drug may be equally effective, and

Whereas, it also drives up the medical costs of administering chemotherapy without adding value, and

Whereas, the failings of the buy-and-bill system impact all oncologists, but small independent practices shoulder the greater burden, and

Whereas, the very existence of small independent practices is threatened, and with it access to care for many of our most vulnerable patients, and

Whereas, "freeing oncologists from dependency on drug revenues while keeping outpatient oncology viable requires a focus on reimbursement for services that are uncompensated or undercompensated in the current system;" therefore be it

RESOLVED: That the Michigan Delegation to the American Medical Association (AMA) ask our AMA to advocate for a change to the Medicare reimbursement formula such that the costs of chemotherapeutic agents are covered, plus an unrelated flat fee to cover the cost of the infusion or injection of said agents; and be it further

RESOLVED: That the Michigan Delegation to the American Medical Association (AMA) ask our AMA to support adequate reimbursement for outpatient oncology office visits that recognizes the complexity of the patient's care management, as these services are often uncompensated or undercompensated in the current system.

WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE

Source(s):
<https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4594838/>