

## Medicare Physician Fee Schedule (MPFS) and Sustainable Growth Rate (SGR) Update

### MPFS Updates

#### Additional Cuts to Imaging

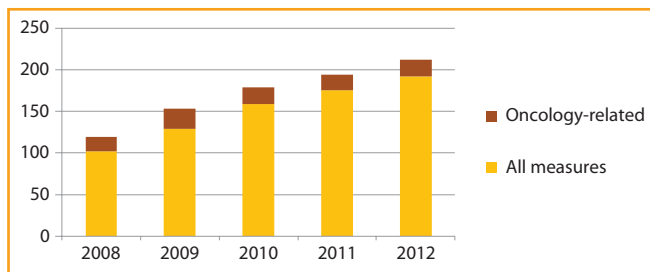
- Expansion of the multiple procedure payment reduction (MPPR) policy to the professional component (PC) of advanced imaging services (eg, CT scans, MRI scans, and ultrasounds)

#### Substitution for Average Sales Price (ASP)

- Medicare will substitute 103% of average manufacturer's price (AMP) for 106% of ASP when the 5% threshold has been exceeded for 2 consecutive quarters immediately prior to the current pricing quarter, or 3 of the previous 4 quarters immediately prior to the current pricing quarter

#### Physician Quality Reporting System (PQRS) Program Changes

- For claims-based reporting, eligible professionals must report at least 3 PQRS measures and report measures for at least 50% of the eligible professional's Medicare Part B fee-for-service (FFS) patients
- At least 1 core measure must be reported for internal medicine, family practice, general practice, and cardiology practices
- Group Practice Reporting Option (GPRO) is defined as a group with >25 eligible professionals
  - Consolidation of the former GPRO I and GPRO II categories
- *Incentives and penalties over time*
  - Incentives are decreasing and penalties are on the horizon for 2015 (1.5% to 2% fee reduction for total Medicare Part B charges)
- *Methods of PQRS reporting*
  - Reporting periods for claims-based, registry-based, and electronic health record (EHR)-based reporting are from January 1, 2012 to December 31, 2012
- *Increasing trend in the use of PQRS measures (2008 to 2012)*

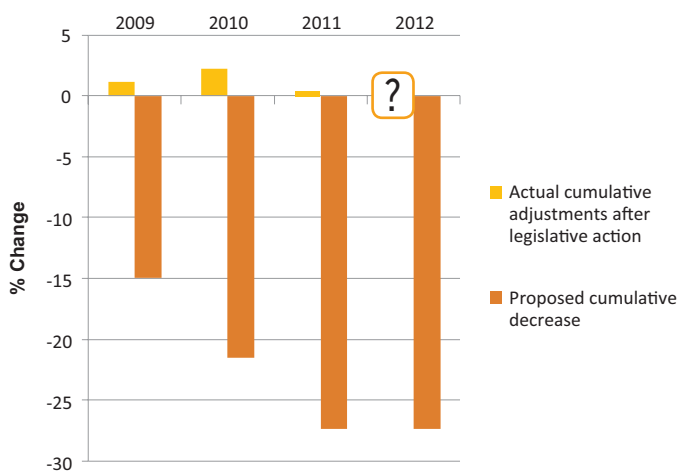


In 2012, CMS added 26 new individual measures resulting in a total of 211 measures; 30 measures are available for EHR-based reporting

#### E-Prescribing (eRx) Changes in 2012

- eRx incentives are 1% of, and penalties for not participating are 1% less, than the PFS amount
- Eligible professionals can use either a qualified eRx system or certified EHR technology for reporting
- 2012 incentive payment reporting period: January 1, 2012 to December 31, 2012
- 2012 payment adjustment (penalty) reporting period: January 1, 2011 to June 30, 2011

### SGR Update



### Considerations

- Without congressional intervention, the SGR cut for 2012 will be -27.4%
- Group practices must self-nominate to participate in the eRx incentive program
- EHR systems must include 4 functionalities to be considered a "qualified electronic prescribing system"
  - Generate active medication list
  - Enable the selection, printing, and electronic transmittal of prescriptions
  - Provide information related to lower-cost, therapeutic alternatives
  - Provide information on formularies and tiered medications and authorizations

### OPPS Updates

#### Payment for Drugs and Biologicals

- Increase in the drug-packaging threshold to \$75 per day from \$70 per day in 2011
  - Items with a per-day cost at or below the threshold are bundled, while those with a per-day cost greater than \$75 will be separately paid
- Reduction in the payment rate for most separately payable, non-pass-through drugs and biologicals to ASP+4% (the 2011 payment rate is ASP+5%)
- Pass-through drugs, biologicals, and diagnostic and therapeutic radiopharmaceuticals at ASP+6%

#### Key Highlights of Quality Measures

- The final OPPS conversion factor is \$70.016
  - The reduced conversion factor for hospitals that fail to meet the Hospital Outpatient Quality Reporting (OQR) Program requirements is \$68.616
- The final rule adds 3 new Hospital OQR measures (for a total of 26 measures) for reporting in calendar year (CY) 2012 and CY 2013, for purposes of the CY 2014 and CY 2015 payment determinations

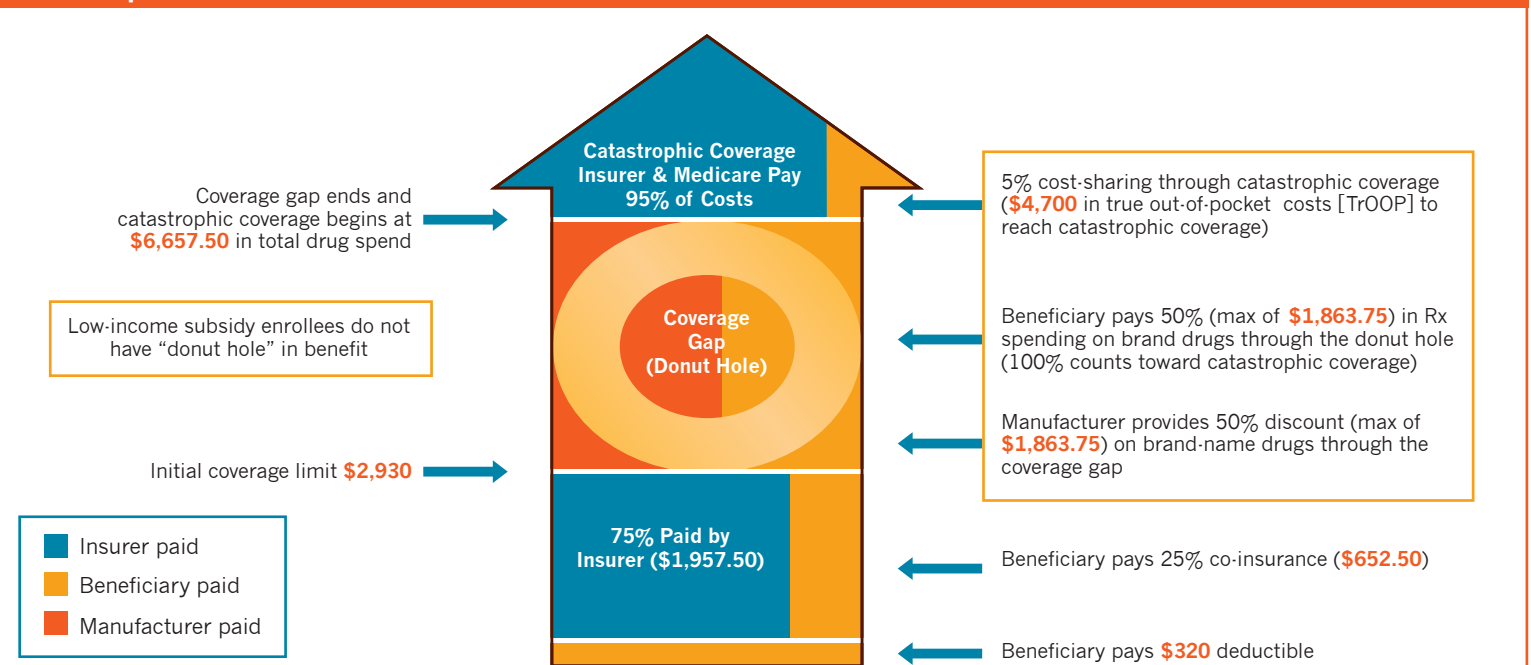
#### Key Highlights for Cancer Hospitals

- Adjustments are expected to increase payments to cancer hospitals by 11.3%
  - CMS will provide payment adjustments in terms of aggregate payment at the cost-report settlement, thus avoiding higher copayments for beneficiaries

### Considerations

- New Hospital OQR measures include:
  - 1 chart-abstracted measure about cardiac rehabilitation referral
  - 1 structural measure about the use of a safe-surgery checklist
  - 1 structural measure collecting hospital outpatient department volume for selected surgical procedures
- The final rule expands the Hospital Value-Based Purchasing (HVBP) program in fiscal year (FY) 2014, adding 1 new clinical practice measure to those adopted for FY 2013

### Part D Updates



### Recovery Audit Contractors (RAC) and Zone Program Integrity Contractors (ZPIC) Audits

Stay up to date on the recent focus of RAC and ZPIC audits by checking your respective RAC jurisdiction contractor

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| <h4>RAC</h4> <ul style="list-style-type: none"> <li>• Conduct audits of Medicare Parts A and Part B claims</li> </ul> | <h4>ZPIC</h4> <ul style="list-style-type: none"> <li>• Focus on detecting fraud</li> <li>• Review high-utilization, high-cost services</li> </ul> |
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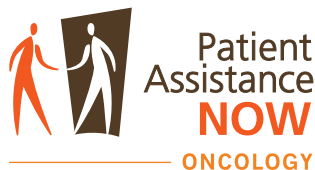
## Resources

- Association of Community Cancer Centers..... [www.accc-cancer.org](http://www.accc-cancer.org)
- Community Oncology Alliance ..... [www.communityoncology.org](http://www.communityoncology.org)
- National Coalition for Cancer Survivorship ..... [www.canceradvocacy.org](http://www.canceradvocacy.org)
- American Medical Association ..... [www.ama-assn.org](http://www.ama-assn.org)
- American Society of Hematology..... [www.hematology.org](http://www.hematology.org)
- American Society of Clinical Oncology ..... [www.asco.org](http://www.asco.org)
- Kaiser Family Foundation ..... [www.kff.org](http://www.kff.org)
- Community Oncology ..... [www.communityoncology.net](http://www.communityoncology.net)
- Journal of Oncology Practice..... [www.jop.ascopubs.org](http://www.jop.ascopubs.org)
- US Office of the Inspector General..... [www.oig.hhs.gov](http://www.oig.hhs.gov)
- Oncology Business Review ..... [www.oncbiz.com](http://www.oncbiz.com)
- Health Affairs ..... [www.healthaffairs.org](http://www.healthaffairs.org)
- Centers for Medicare & Medicaid Services ..... [www.cms.gov](http://www.cms.gov)
- Association of Cancer Online Resources ..... [www.acor.org](http://www.acor.org)
- National Cancer Institute ..... [www.cancer.gov](http://www.cancer.gov)

## References

For more information on this topic, please refer to the following:

- CY 2012 Final Rule MPFS  
<http://www.cms.gov/PhysicianFeeSched/PFSFRN/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=4&sortOrder=descending&itemID=CMS1253669&intNumPerPage=10>
- CY 2012 Final Rule OPFS  
<http://www.cms.gov/PhysicianFeeSched/PFSFRN/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=4&sortOrder=descending&itemID=CMS1253669&intNumPerPage=10>
- RAC Jurisdictions  
<http://www.cms.gov/rac/>
- ZPICs  
<http://racguru.com/2010/03/09/zpic-whats-a-zpic>
- RAC Medical Record Request Limits  
<http://www.cms.gov/Recovery-Audit-Program/Recent%20Updates.asp#TopOfPage>
- Physician Payments Sunshine Provisions in Health Care Reform, Pew Prescription Project Fact Sheet  
[http://www.prescriptionproject.org/tools/sunshine\\_docs/files/Sunshine-fact-sheet-6.07.10.pdf](http://www.prescriptionproject.org/tools/sunshine_docs/files/Sunshine-fact-sheet-6.07.10.pdf)



## Helping to make access to therapies easier

Novartis Oncology shares your commitment to helping patients living with cancer receive the medicines they need. **Patient Assistance NOW Oncology** offers quick and easy access to information about the broad array of support and reimbursement programs available for your patients.

You can get information about our **Patient Assistance NOW Oncology** support programs in two ways:

- Call **1-800-282-7630** to speak to one of our knowledgeable staff dedicated to making access to our programs as simple and convenient as possible; or
- Visit our website at: [www.OncologyAccessNow.com](http://www.OncologyAccessNow.com)

### Support for Patients Includes:

- Insurance verification
- Coding/billing questions
- Medicare education
- Assistance with denials/appeals
- Therapy-specific support programs for out-of-pocket costs
- Alternative funding searches and referrals to Federal or State assistance programs
- Referrals to Independent Charitable Foundations for assistance with co-pay costs
- Patient assistance for low-income and uninsured patients
- Patients pre-qualified via phone screening for the Patient Assistance Program (PAP) will be sent a 30-day supply of their needed medication while completing the application

