Getting Beyond the Numbers—

How Medicare Reimbursement Affects Our Patients

BY EDWARD L. BRAUD, M.D.

On January 1, the 2003 Hospital Outpatient Prospective Payment System (OPPS) rule released by the Centers for Medicare and Medicaid Services went into effect and resulted in severe payment cuts for most drugs. Oncology drugs were hit particularly hard, and hospitals are just beginning to realize the negative impact these reduced drug payments are going to have on their ability to provide quality cancer care.

Currently, hospitals and pharmacies are analyzing their drug acquisition costs and the 2003 drug reimbursement payments to identify which drugs will allow them to maintain a small profit margin or at least break even. The news is not good for cancer centers trying to offer their patients the best oncology care. Using reimbursement data from 2002 and 2003, three typical patient scenarios are provided to illustrate the dire economic future facing community cancer centers.

A 67-YEAR-OLD WOMAN WITH METASTATIC BREAST CANCER

Mrs. Lee, a 67-year-old woman, was diagnosed four years ago with stage II breast carcinoma. The cancer was both hormone receptor and Her-2/neu positive. She received four cycles of chemotherapy with Adriamycin® and Cytoxan, and has taken Nolvadex® since her chemotherapy was completed.

Six months ago, she presented to the hospital with shortness of breath after walking no more than 100 feet and was found to have metastatic disease in her lungs. She was started on weekly infusions of Taxotere®/Herceptin® and has tolerated the therapy very well. After six months of treatment, she is symptom free except for the fatigue of anemia and mild numbness of the feet. Mrs. Lee can now drive her car and care for her ailing husband.

Taxotere 56 mg (35 mg/m^2) and Herceptin 118 mg (2 mg/kg) were administered weekly for four weeks, followed by one week of rest. Anzemet® 50 mg is given weekly to control nausea along with Procrit® 20,000 units for anemia.

Medicare reimbursement payments for these drugs and this course of treatment will be 32 percent less in 2003 than they were in 2002 (see Table 1).

A 66-YEAR-OLD MAN WITH NON-HODGKIN'S LYMPHOMA

Mr. Jones, recently retired president of the local bank, presents to his family physician complaining of fatigue and fever. Physical examination reveals enlarged lymph nodes in his neck and groin. The nodes are biopsied and are found to contain intermediate grade lymphoma, B-cell type, with positive CD-20 staining. His initial blood count reveals anemia with a hemoglobin of 9.0 grams.

The medical oncologist orders combination chemotherapy with Cytoxan, Adriamycin, Oncovin®, and prednisone (CHOP). Because his lymphoma is CD-20-positive, Rituxin will also be used.

Based on his size, Mr. Jones is scheduled to receive

Table 1: Treatment Regimen for a 67-Year-Old Woman with Metastatic Breast Cancer

	2002 Payment	2003 Payment	Change	Percent of Change
24 weeks of the chemotherapy regimen Herceptin and Taxotere[1]	$26,276	$21,073	($5,203)	(20%)
Chemotherapy administration payments	$4,308	$3,948	($360)	(8%)
24 weeks of supportive care with Anzemet and Procrit for chemotherapy-induced anemia[2]	$6,570	$4,732	($1,838)	(28%)
Supportive drug care administration payments	$1,085	$1,077	($8)	(0.7%)
Clinic visits[3]	$1,016	$1,061	$45	4%
TOTALS	**$39,255**	**$31,891**	**($7,364)**	**(19%)**

Source:
[1]Herceptin 10 mg (J9355), Taxotere 20 mg (J9170)
[2]Anzemet 10 mg (J1260), Procrit 1,000 units (Q0136)
[3]Clinic visit calculation assumes a level III visit. Though this may not always be the case, it is considered average.

Cytoxan 1,500 mg (750 mg/m^2), Adriamycin 100 mg (50 mg/m^2), Oncovin 2 mg (1.4 mg/m^2, maximum dose 2 mg), and Rituxin 750 mg (375 mg/m^2) on day one of each 21-day cycle for a total of six cycles. Anzemet® 100 mg is given with each cycle and Procrit 40,000 units is ordered weekly.

Medicare reimbursement payments for these drugs and this course of treatment will be 27 percent less in 2003 than they were in 2002 (see Table 2).

69-YEAR-OLD MAN WITH COLON CANCER

Mr. Smith, who still operates a 1,500-acre farm in South Dakota, goes to his family physician for a routine examination at the urging of his wife. He has had problems with hemorrhoids for many years, but recently noted more discomfort. Examination was not remarkable except for blood in the stool sample. Colonoscopy revealed a malignancy in the descending colon. A 4 cm tumor was surgically removed, along with 11 abdominal lymph nodes, three of which were positive for cancer. There were no metastatic lesions in the liver or other organs at the time of surgery.

The oncologist recommends six cycles of Camptosar® 250 mg (125 mg/m^2), 5-fluorouracil 1,000 mg (500 mg/m^2), and leucovorin 40 mg administered weekly for four weeks with one week off. Procrit 20,000 units weekly is administered to combat anemia, along with Anzemet 100 mg for nausea control.

Medicare reimbursement payments for these drugs and this course of treatment will be 24 percent less in 2003 than they were in 2002 (see Table 3).

Edward L. Braud, M.D., is a medical oncologist with the Springfield Clinic, a multispecialty group in Springfield, Ill.

Table 2: Treatment Regimen for a 66-Year-Old Man with Non-Hodgkin's Lymphoma

	2002 Payment	2003 Payment	Change	Percent of Change
Six cycles of the chemotherapy regimen Cytoxan, Adriamycin, Oncovin, and prednisone (CHOP) and Rituxin[1]	$20,301	$13,753	($6,548)	(32%)
Chemotherapy administration payments	$3,693	$3,384	($309)	(8%)
Six months of supportive care with Anzemet and Procrit[2]	$9,097	$6,552	($2,545)	(28%)
Supportive care drug administration payments	$751	$746	($5)	(0.7%)
Clinic visits[3]	$870	$910	$40	5%
TOTALS	**$34,712**	**$25,345**	**($9,367)**	**(27%)**

Source:
[1]Cytoxan 100 mg (J9070), Adriamycin 10 mg (J9000), Oncovin 1 mg (J9370), Prednisone 5 mg (J7506), Rituxin 100 mg (J9070)
[2]Anzemet 10 mg (J1260), Procrit 1,000 units (Q0136)
[3]Clinic visit calculation assumes a level III visit. Though this may not always be the case, it is considered average.

Table 3: Treatment Regimen for a 69-Year-Old Man with Colon Cancer

	2002 Payment	2003 Payment	Change	Percent of Change
24 weeks of the chemotherapy regimen Camptosar, leucovorin, and 5-fluorouracil[1]	$8,617	$7,134	($1,483)	(16%)
Chemotherapy administration payments	$4,308	$3,948	($360)	(8%)
24 weeks of supportive care with Anzemet and Procrit[2]	$9,486	$5,460	($4,026)	(42%)
Supportive care drug administration payments	$1,252	$1,243	($9)	(0.7%)
Clinic visits[3]	$1,016	$1,061	$45	4%
TOTALS	**$24,679**	**$18,846**	**($5,833)**	**(24%)**

Source:
[1]Camptosar 20 mgs (J9206), Fluorouracil 500 mg (J9190), leucovorin 20 mg (J0640)
[2]Anzemet 10 mg (J1260), Procrit 1,000 units (Q0136)
[3]Clinic visit calculation assumes a level III visit. Though this may not always be the case, it is considered average.