LETTER TO THE EDITOR...

I have reviewed your November issue of the Journal of Cancer Program Management with considerable interest. I think you have rendered a real service in providing information about payment for cancer treatment.

However, I am concerned about the mis-use of the term Prospective Payment System when referring to the DRG system. The AMA has emphasized, from the time of the initiation of the DRG proposal that this should be considered a Prospective Pricing System, as it only designates the amount that will be paid in the future (provided many criteria are met, etc.). The term "Prospective Payment" would imply that payment is being made in advance, and this certainly is not the case. As a matter of fact, payments frequently come many months and even years later.

A Resolution which I introduced to the AMA House of Delegates at the Annual Meeting in 1985 re-emphasized this and was passed virtually unanimously by the House of Delegates of the AMA. Since that time, AMA publications have referred to the PPS as a Prospective <u>Pricing</u> System, except for occasional lapses.

I recognize that the governmental agencies still refer to this as a Prospective <u>Payment</u> System, but I think we should negate this at every turn, and make the public aware that nothing is being paid in advance that even the "pricing" is subject to severe restrictions, frequent denials, etc.

I hope that future articles in your **Journal** will make it clear that the DRG system is Prospective <u>Pricing</u> and that no payments are made in advance.

> John C. Hawk, Jr., M.D. Charleston, South Carolina

NEW ACCC REIMBURSEMENT PROJECT

In January, the Board of Trustees unanimously voted to expand the current DRG Research Project to include both inpatient and outpatient reimbursement concerns. The new Reimbursement Project is now under way and includes the continuation of the Cancer DRG monograph but will also feature a newsletter specific to reimbursement issues, and a significant new set of initiatives to address a wide range of reimbursement problems. The newsletter, Oncology Reimbursement Review, will be issued semi-annually and will feature concise summaries of survey data and key cancer reimbursement news, reports of state and federal activities, articles on inpatient and outpatient issues, and brief highights of pharmaceutical and insurance reimbursement problems.

Herbert M. Baum, Ph.D. will serve as the editor of the <u>Oncology Reimburse-</u> <u>ment Review</u>. ACCC members are encouraged to use this forum to comment on their specific reimbursement problems. Interested members may contact Dr. Baum at the ACCC Executive Office, (301) 984-9496.

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