READERS REPORT INCREASING REIMBURSEMENT CONSTRAINTS: SURVEY

by Marilyn M. Mannisto

A preliminary analysis of responses to the readership survey on reimbursement, which appeared in the Spring issue, shows that inadequate reimbursement from third-party payors is placing an increasing burden on oncologists and their office staffs. Ninety percent of respondents are spending a greater amount of time attempting to obtain adequate reimbursement for cancer therapies than they were three years ago, from both traditional third-party insurers (Blue Cross and Blue Shield, Medicare, commercial insurers, etc.), and managed care plans (HMOs, PPOs, etc.). In terms of sheer manpower hours, responding physicians and their office staffs spend an average of almost 23 hours per week contacting third-party payers to correct, clarify, negotiate, and resubmit treatment claims for cancer patients (see table 1 below).

Respondents also state that their difficulties in receiving payment for cancer therapies that previously were readily reimbursed have increased over the past 12 months (59 percent). Only 24 percent state that reimbursement for such therapies is about the same, or that they have not experienced increased difficulties (17 percent).

Not only are oncologists experiencing more payment denials, but 58 percent say that reimbursement levels from federal and private insurers have declined for chemotherapy drugs and/or procedures. Forty-two percent of respondents state that such payments levels have remained about the same. To date, not one respondent has experienced a payment increase for chemotherapy drugs and/or procedures. Regarding managed care plans' payment levels, 56 percent state that they have not experienced an increase in reimbursement, 24 percent say payment levels have remained about the same, and 20 percent say payments by managed care plans have increased.

Inadequate reimbursement is placing an increasing burden on oncologists and their office staffs

When asked to name the insurers that respondents believe most restrict their ability to provide standard medical treatment for their cancer patients, Medicare and commercial insurers were most frequently named, 60 and 40 percent, respectively. Other frequently cited third-party insurers include Blue Cross and Blue Shield plans (36 percent), HMOs (28 percent), and Medicaid (24 percent). Of those respondents who cited reimbursement problems with Medicare, 22 percent noted that a Blue Cross/Blue Shield plan served as the Medicare intermediary in their state.

Survey respondents most frequently experience reimbursement difficulties when they prescribe FDA-approved chemotherapy agents for off-label indications (42 percent). Respondents have also been denied payment for experimental cancer therapy (24 percent), combination chemotherapy (14 percent), and for enrolling patients on NCI-sponsored clinical trials (7 percent).

Respondents who provided a specific example of a cancer therapy that is considered standard medical treatment, but for which they have had difficulty receiving reimbursement, most frequently cited continuous chemotherapy infusion for more than one hour and/or the use of ambulatory infusion pumps (29 percent) as a major area of concern (see table 2). Other problem areas noted by respondents include the off-label use of Interferon (24 percent) and other chemotherapeutic agents (19 percent), the use of leucovorin and 5-FU (14 percent), weekly blood counts for chemotherapy patients—such testing was limited to one cbc/platelet per month—(9.5 percent); and bone marrow transplants (9.5 percent). Other areas of concern included allowable charges for office visits; one-day, pre-operative admissions before radical surgery; and outpatient hemocult tests.

(Continued on page 23)

TABLE 1

NUMBER OF HOURS ONCOLOGISTS/OFFICE PERSONNEL DEVOTE TO REIMBURSEMENT PROBLEMS

Staff	Average No. of Hrs./Wk.
Business Manager	11.9
Secretary/Clerk	8.8
Physician	4.6
Other (i.e., nurses)	4.3

TABLE 2

DENIAL OF PAYMENT FOR SPECIFIC MEDICAL TREATMENTS

Type of Treatment	% of respondents
Continuous, ambulatory IV infusion of drugs	29
Off-label use of Interferon	24
Off-label use of other agents (leucovorin, vincristine, novantrone, etc.)	19
Treatment with Leucovorin & 5FU	14
Weekly blood counts	9.5
Bone marrow transplants	9.5

A PROFILE OF SURVEY RESPONDENTS

The majority of survey respondents are medical oncologists (79 percent); live in the Northeast (33 percent); and are in a solo private practice (44 percent) or are members of a group practice (37 percent).

A higher percentage of respondents practicing in the Northeast reported increased difficulties/declines in reimbursement than any other area of the country (40 percent). Those respondents least affected by reimbursement difficulties/declines practice in the Midwest (36 percent).

Respondents who cite Medicare as one of the third-party payors with the most restrictive reimbursement policies were primarily located in the Northeast and the Southeast. The same was true of respondents who named Blue Cross/Blue Shield plans as having overly restrictive payment policies.

Respondents who are confronting payment denials for prescribing FDA-approved drugs for off-label indications also are located throughout the country, from Idaho and Iowa to New Hampshire and Florida.

DISCHARGE PLANNING RESOURCE TO BE PUBLISHED

The Center for Consumer Healthcare Information plans to publish a health care directory specifically designed for case managers.

The *1989-90 Case Management & Discharge Planning Resource Guide* will include detailed information about providers' credentials and special services and programs to facilitate patient referrals. The guide will cover 25 categories of providers including home care, infusion therapy, rehabilitation services, and hospice, as well as social service organizations and public agencies that serve patients with serious or chronic illnesses.

The three-volume guide will be organized by geographical area and by provider class. Distribution of the guide will include case managers, insurers, employers, utilization review organizations, hospital discharge planners, medical group practices, and others.

For further information, contact:

Laura Marusin
Center for Consumer Healthcare Information
P.O. Box 16067
Irvine, CA 92713.

Organizations that want to be included in the guide should call 714/752-2335.

READER SURVEY

(Continued from page 19)

Other reimbursement problems that respondents believe should be brought to the attention of the President's Cancer Panel include the following:

- ☐ Inadequate reimbursement for cognitive services
- ☐ Reductions by Medicare for such procedures as bone marrow aspiration and biopsy, radiation therapy services, mastectomy, chemotherapy administration, and office visits.
- ☐ Proposed limits on physician ownership or financial interests in ancillary services
- ☐ Denials for phase III, NCI-approved clinical trials

The Association plans to submit a written report of the survey findings to the committee of the President's Cancer Panel that is currently reviewing procedures for the approval of new cancer and AIDS drugs. ■