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## HCFA Hears from Oncology on Practice Expense

by Christian Downs

**T**hose who wondered whether their comment letters to HCFA on practice expense were worthwhile need only look to the most recent physician fee schedule for their answer. In what amounts to a major accomplishment for the oncology community, HCFA has changed its proposal on reimbursement for radiation oncology. This change will prevent the implementation of the 24 percent cut in technical fees originally proposed. Specific revisions include:

- HCFA separated radiation oncologists from radiologists in computing practice expenses per hour, thereby increasing payments for radiation therapy services.
- HCFA revised the methodology for allocating indirect costs to codes that do not have a physician work component. This change benefits technical codes for radiation treatment delivery.

As a result of these changes, the relative values for many radiation oncology codes are much higher than what HCFA originally proposed. For example, CPT Code 77409 (radiation treatment delivery) has an estimated reimbursement of \$77.78 under the 1998 fee schedule. Now, under the revised 1999 fee schedule, the estimated reimbursement for this code rises to \$78.84. While this increase may not look like much, consider what could have happened with a 24 percent cut, coupled with the overall trend in declining reimbursement. Although radiation oncology improves, there are several other aspects of the fee schedule not as encouraging:

- The conversion factor will under-

go a significant decrease from its current value. In 1998 the conversion factor is \$36.69. However, beginning January 1, 1999, the conversion factor will be reduced to \$34.73. This change should be considered in light of the increases in the RVUs of some codes.

- HCFA will continue to use the "all physicians" supply costs to calculate the medical oncologist supply cost pool. Many oncology specialty groups had argued that the "all physicians" supply costs fail to recognize that chemotherapy administration has additional supply costs, which exceed that of "all physicians." HCFA has promised to work with the oncology specialty groups during the refinement process to ensure that the practice expense supply category adequately reflects the actual costs of other oncology supplies.

It is important to remember that these changes will be phased in over four years, and there will be several opportunities for refinement. The fee schedule is available on line at [www.access.gpo.gov/nara/index.html](http://www.access.gpo.gov/nara/index.html) or by calling 1-888-293-6498.

Yet again, the thousands of letters and intense education by all sectors of the oncology community have made a difference. HCFA's revised regulation exemplifies what can happen when oncology professionals, and the organizations representing them, provide calm, reasoned analysis to HCFA, along with real-world examples of the impact of the proposal. ACCC, ACRO, AFROC, ASTRO, ASCO, and many other organizations worked together, in concert with their membership, in visiting members of Congress and sending thousands of comment letters to HCFA. In the end, these comments made a huge difference in averting the closing of

freestanding radiation oncology centers throughout the country.

### ELECTION OUTCOMES

The fall of any election year seems to be the apex of the political process. Candidates have spent months, sometimes years, meeting potential voters and soliciting campaign contributions. Finally, the first Tuesday in November arrives and the voters render their decision. The summit is reached, the political process appears to be over.

In fact, the process has only just begun. Now and in the coming months the real work gets done. Legislators, from freshman representatives to seasoned senators, are organizing their legislative agendas for the coming session. Many of their proposals will have a direct impact on you and the patients under your care.

As with any campaign season, it is important to stay informed and involved. This is especially true in health care, where legislation affecting the delivery of care and the reimbursement process has increased dramatically over the past several years. Two of the best (and simplest) ways to stay on top of the issues are:

- Contact your state and national specialty societies about the legislative issues affecting your specialty and cancer patients in the coming year. Your state medical association can also provide information on medical issues outside of oncology in your state.
- Contact your federal and state representatives. Ask them what legislation they will be sponsoring or supporting in the coming year affecting cancer providers and patients. This is a good opportunity to let them know who you are and your area of interest. ■

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