

# Playing Hardball with the Insurers

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Physicians dealing with particularly stubborn, brown bag-promoting insurance agencies should consider requesting higher reimbursement rates for the 96400 administration codes. HCFA has long been aware that chemotherapy administration is underpaid,

and has said that "current Medicare Part B payment rules for physicians' services...may fail to compensate adequately for the services because the usual reasonable charge payment methodology may not fully recognize the overhead costs involved in these

procedures." Therefore, physicians might propose the following reimbursement, which is based on the HCFA study in 1996 that estimated practice expenses for common chemotherapy administration codes. The study reflected the following:

	Practice Expense Allowed	Projected Resource-Based Costs	Cost Increase Multiplier
96408	\$31.86	\$ 91.34	2.87
96410	\$50.91	\$101.60	2.00
96530	\$34.98	\$ 85.10	2.43

Using the HCFA study, physicians could suggest adjustments to the following codes. Codes not in the HCFA study use a multiplier of 2.43. These example codes are not tailored to a specific state, but are intended to give providers an idea of how the rates could be changed.

	Total Geo Adj RVU	Geo Practice RVU	%	120% RBRVS Rate	Practice Rate	Increased Practice Rate	Proposed New Rate
96400	.14375	.1358	94.5	\$ 6.32	\$ 5.97	\$ 14.51	\$ 14.86
96405	1.55734	1.0282	66.0	\$ 68.42	\$ 45.16	\$109.74	\$133.00
96406	2.14410	1.3386	62.4	\$ 94.20	\$ 58.78	\$142.84	\$178.26
96408	1.00005	.9603	96.0	\$ 43.94	\$ 42.18	\$121.06	\$122.82
96410	1.58825	1.5326	96.5	\$ 69.78	\$ 65.43	\$130.86	\$135.21
96412	1.19230	1.1446	96.0	\$ 52.39	\$ 50.29	\$122.20	\$124.30
96414	1.37485	1.3192	96.0	\$ 60.41	\$ 57.99	\$140.92	\$143.34
96420	1.28755	1.2319	95.7	\$ 56.57	\$ 54.14	\$131.56	\$133.99
96422	1.26815	1.2125	95.6	\$ 55.72	\$ 53.27	\$129.45	\$131.90
96423	.50090	.4850	96.8	\$ 22.01	\$ 21.31	\$ 51.78	\$ 52.48
96425	1.47185	1.4162	96.2	\$ 64.67	\$ 62.21	\$151.17	\$153.63
96440	6.27134	3.8606	61.6	\$275.54	\$169.73	\$412.44	\$518.25
96445	6.24285	4.0158	64.3	\$274.29	\$176.37	\$428.58	\$526.50
96450	5.05593	3.1428	62.2	\$222.14	\$138.17	\$335.75	\$419.72
96520	.92245	.8827	95.7	\$ 40.53	\$ 38.79	\$ 94.26	\$ 96.00
96530	1.09705	1.0573	96.4	\$ 48.20	\$ 46.46	\$112.90	\$114.64
96542	3.68374	2.2504	61.1	\$161.85	\$ 98.89	\$240.30	\$303.26

In each code above, the practice RVU was increased based on the HCFA study. The calculation defined the practice rate out of the full 120 percent RBRVS 2000 rate, and added the inflated practice rate from the HCFA study back in.

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