



CMS Releases the First Quarter 2008 ASP Payment Files

The Centers for Medicare & Medicaid Services (CMS) has recently released the first quarter 2008 Average Sales Price (ASP) Pricing Files containing the payment rates that will be used to pay for Medicare Part B covered drugs when furnished in physician-office setting. The ASP Pricing Files can be found on the CMS website at:

http://www.cms.hhs.gov/McrPartBDrugAvgSalesPrice/01a_2008aspfiles.asp#TopOfPage.

The 2008 Medicare allowables for Part B covered drugs and biologicals when furnished in the **physician-office setting** are set at 106 percent of the ASP as they have been in previous years. According to CMS, payment amounts across all drugs remain stable. For 37 out of the top 50 of the higher volume drugs, the payment amounts changed 2 percent or less. Overall, the payment amounts for 30 of the top 50 drugs increased, while 3 remained the same. For those products that will experience a decrease in payment, competitive market factors including multiple manufacturers, alternative therapies, new products, recent generic entrants, or market shifts to lower priced products may be at work affecting the allowables of the drugs.

It is important to note that in 2008 most Part B covered products will be reimbursed at 105 percent of the ASP when furnished in the **hospital-outpatient setting**. On the other hand, drugs that have been granted pass-through status and those that are available via the Competitive Acquisition Program (CAP) are subject to different payment rules. Thus, in 2008, Medicare may reimburse different amounts for the same drug depending on the setting of care in which it is administered. This is a marked change from the 2007 policy in which Medicare paid ASP plus 6 percent for Part B covered drugs in both physician-office and hospital-outpatient settings.

Allowables for drugs administered in the hospital-outpatient setting during the first quarter of 2008 can be found at:

<http://www.cms.hhs.gov/HospitalOutpatientPPS/HORD/itemdetail.asp?filterType=none&filterByDID=-99&sortByDID=3&sortOrder=descending&itemID=CMS1204971&intNumPerPage=10>.

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