

ANCO FAX News

Association of Northern California Oncologists
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INTRODUCTION

The *ANCO FAX News* focuses on ANCO's core activities—advocacy, clinical and professional education, membership benefits, and *Association* news. While membership mailings, FAX broadcasts, and ListServ postings continue, the *ANCO FAX News* summarizes this information in a regular forum of important news to members. Contact the ANCO office for additional information regarding any item published in the *ANCO FAX News* or to contribute items.

The *ANCO FAX News* is sent to physician member practices and corporate member contacts. The next regular *ANCO FAX News* will be published on Friday, November 5th.

Comments on and contributions to the *ANCO FAX News* are always welcome and encouraged at ANCO, P.O. Box 151109, San Rafael, CA 94915-1109; Voice: (415) 472-3960; FAX: (415) 472-3961; ExecDir@anco-online.org.

ADVOCACY

[*Editor's Note:* ANCO meets regularly with national, regional, and statewide organizations to discuss issues of importance to oncology practices and people with cancer. We continually seek input from members on agenda items for these meetings. Send your issues to the ANCO office.]

ACCC, ASCO, and National Legislative & Regulatory Issues

[*Editor's Note:* ANCO is a member of the *Association of Community Cancer Centers* (ACCC) and a state/regional affiliate of the *American Society of Clinical Oncology* (ASCO). We regularly participate with these organizations on matters of

national importance to oncology practices.]

Peter D. Eisenberg, M.D., *ASCO Board Member*, John A. Keech, Jr., D.O., *CPC Past Chair*, Peter Paul Yu, M.D., *ANCO President*, and José Luis González, *ANCO Executive Director*, attended *ASCO's Clinical Practice Committee (CPC) meeting* on October 20th. Highlights (other than regarding MMA, see below) follow:

- the CPC seeks input from members on the barriers to participating in the

**There is information in the
ANCO FAX News
for every member of your practice
or organization.
Pass it along!**

- ☐ **Physician Members**
- ☐ **Nurse & Office Managers**
- ☐ **Office Staff**
- ☐ **Colleagues & Representatives**

The *Association of Northern California Oncologists* (ANCO) is an association of medical oncologists and hematologists dedicated to promoting high professional standards of oncology by providing a forum for the exchange of ideas, data, and knowledge. The material contained in the *ANCO FAX News* is intended as general information for ANCO members. Because diagnostic, treatment, contracting, coding, and billing decisions should be made on a case-by-case basis, any such information contained in the *ANCO FAX News* may not apply in any given situation. Members are encouraged to contact their own consultants or advisors to obtain specific advice on matters relating to contracting, coding, and billing. The information contained in the *ANCO FAX News* should not be used as a substitute for such advice.

Medicare Drug Replacement Demonstration Project.

- the ASCO/AOHA *Service Line Survey* resulted in a proposed new code for support services that is working its way through AMA's CPT process and the recommendation that ASCO/AOHA develop a standardized managerial chart of accounts and job descriptions to facilitate data collection and analysis.
- the *State/Regional Affiliate Task Force* will ask that the ASCO *Board* fund a development program for state societies.
- Peter Paul Yu, M.D., ANCO *President*, was appointed the CPC liaison to ASCO's *Cancer Research Committee*.
- the ASCO *Health Services Committee* (responsible for clinical practice guidelines and quality initiatives) seeks community oncologist participation.
- ASCO will launch the *Journal of Oncology Practice* at the 2005 *Annual Meeting*.

ANCO and ASCO continue to work towards ensuring that people with cancer have access to quality cancer care in the community. Here is the latest with regard to the *Medicare Prescription Drug, Improvement, and Modernization Act of 2003* (MMA):

- *Congress* adjourned without acting on HR5144 or S2587 and will return in mid-November. It is unlikely to act on the proposed legislation at that time.
- On October 13th, CMS announced coding changes for Medicare designed to address concerns about cancer care reimbursement in 2005. It accepted ASCO's recommendations to incorporate the coding changes proposed in the *American Medical Association CPT Editorial Panel* and RUC processes to better account for the cost of providing chemotherapy services (including codes to reflect multiple infusions of chemotherapy and non-chemotherapy drugs; physician work and non-physician clinical staff time associated with the provision of chemotherapy and related drug administration services; and,

recommendations for clinical staff time and physician supervision associated with pharmaceutical preparation). Currently Medicare covers multiple chemotherapy pushes, but not multiple infusions.

- CMS intends to provide clarification of current billing rules that enable additional reporting and payment for certain evaluation and management (i.e., prolonged) services when physicians and their staffs manage significant adverse drug reactions. ASCO seeks input from members regarding the payment/denial of prolonged services for these types of claims.
- CMS did not provide critical payment information rates for the updated codes necessary to analyze their impact on cancer care reimbursement.
- Members should ask their *Congressional Representatives* to request CMS to use their statutory authority and implement these and additional temporary codes to keep cancer care reimbursement stable in 2005.
- ASCO expects the final 2005 *Medicare Physician Fee Schedule* to be released in early November. It may include 2Q04 ASPs, but 2005 drug reimbursement will be based on 3Q04 ASP data that may not be released until December.

Visit www.asco.org/mma or call ASCO's billing and coding hotline at (703) 299-1054 for up-to-date information on changes in coding for drug administration services, as well as billing and payments for drugs. Visit www.anco-online.org for the latest information on MMA.

CMA, MOASC, and State Legislative/Regulatory Issues

[Editor's Note: ANCO and the Medical Oncology Association of Southern California (MOASC) are members of the California Medical Association's (CMA) House of Delegates and Council on Legislation. ANCO and MOASC cooperate on several joint ventures and coordinate activities in the advocacy and membership benefit arenas. Each is represented at the Board meeting of the other.]

ANCO has joined other specialty societies and the CMA in supporting the campaign to affirm the *Health Insurance Act* (SB2; Prop 72) and

oppose attempts to repeal this law on the November 2004 ballot. **ANCO endorses the California Stem Cell Research & Cures Initiative** (Prop 71) on November's ballot and encourages all its members to support this campaign. This initiative will authorize low-interest, tax-free bonds to fund stem cell research in California.

The CMA's 8th *Annual Leadership Academy* will take place in La Quinta from November 19th-21st. The theme for this year's *Academy* is *Acceleration: Access, Quality, and Cost in the Era of Consumerism*. Additional information is available at www.cmanet.org/leadership. Early bird registration ends October 22nd.

NHIC/Medicare & DHS/MediCal

[Editor's Note: ANCO meets with *National Heritage Insurance Company* (NHIC) that administers Medicare in California and the *Department of Health Services* (DHS) that administers MediCal in California.]

Visit www.medicarenhic.com/whats_new/whats_new.shtml to learn the latest information (updated weekly) from **NHIC/Medicare**. Weekly updates are posted on ANCO's WebLog (at www.anco-online.org/news/index.html; under California News).

The *Medicare B Resource* (September 2004) is available online at www.medicarenhic.com/providers/news/mbr_sept04.pdf.

The most recent *NHIC/Medicare Carrier Advisory Committee* (CAC) meeting took place in Los Angeles on October 20th. The agenda did not include any oncology-related items. The next meeting is scheduled for January 2005 in Oakland.

As of October 1st, DHS/MediCal approved the **addition of Sensipar to their contract drug list**. Prescriptions for the treatment of secondary hyperparathyroidism in patients with chronic kidney disease on dialysis, or for the treatment of hypercalcemia in patients with parathyroid carcinoma can be filled in all pharmacy settings without the need for a TAR (Treatment Authorization Request). For additional information, see *Pharmacy Bulletin* 591.

EDUCATION

[Editor's Note: ANCO regularly organizes clinical and professional education meetings throughout the year and throughout Northern California.]

ASCO Highlights 2004 and ANCO's 2004 Annual Meeting

Did you miss ANCO's *ASCO Highlights 2004* program? A limited number of syllabuses are available from the ASCO office. The *PowerPoint* presentations may be downloaded from the ANCO website. And, an on-demand webcast of the program (or virtual meeting) is now available at www.anco-online.org/asco.html.

Did you miss ANCO's 2004 *Annual Meeting*? A limited number of syllabuses are available from the ANCO office and *PowerPoint* presentations may be downloaded from the ANCO website.

Advances in the Treatment of Breast Cancer

ANCO thanks
Novartis Oncology
for supporting clinical education.

On Tuesday evening, October 19th, Nancy Davidson, M.D., *Johns Hopkins University Medical Center*, helped ANCO recognize *Breast Cancer*

Awareness Month with a presentation on advances in the treatment of breast cancer before an audience of approximately 40 physicians, nurses, and others. This program took place at the Hotel Nikko in San Francisco. *Novartis Oncology* sponsored this meeting.

Additional Education Meetings

Other meetings of interest to ANCO member practices are:

Through December 10th

Advances in Non-Hodgkin's Lymphoma Treatment: The Changing Role of Hematopoietic Cell Transplantation

National Marrow Donor Program, Center for International Blood and Marrow Transplant Research, & Medical College of Wisconsin
www.marrow.org/cgi-bin/page.pl?id=197.

October 28th

A New Paradigm: Combating Malignancy Through

Comprehensive Integrative Cancer Care
Commonweal
San Francisco

October 28th
*Practice Performance: Maintaining the Health of
Your Patients and Your Practice*
Innovative Medical Communications
San Francisco

November 11th
*Oncology Payer Relationships: Customizing Effective
Solutions*
Innovative Medical Communications
Santa Monica

November 12-14th
North American Educational Forum on Lymphoma
Lymphoma Research Foundation & Lymphoma
Foundation Canada
San Francisco

November 18-19th
*Health Care Information Technology 2004:
Improving Chronic Disease Care in California*
California HealthCare Foundation & Center for
Health Research, UC Berkeley
San Francisco

Please contact the ANCO office for more
information about these meetings.

MEMBERSHIP BENEFITS

[Editor's Note: All ANCO members are eligible for benefits
from the *California Oncology Consortium* (COC) and
Hematology Oncology Leadership Network (HOLN).]

ANCO On-Line

ANCO's independent website has been
redesigned and re-launched at **www.anco-
online.org**. It features the following:

- A general description of the *Association*
and its activities.
- ANCO's advocacy information,
educational meeting announcements and
materials, publications, and WebLog.
- Links to affiliated organizations and
updated physician, nurse, manager, and
patient resources.

The WebLog archives important news for
oncology practices posted on an almost daily

basis. Among the additional news items
posted at [www.anco-online.org/news/
index.html](http://www.anco-online.org/news/index.html) since the last edition of the
ANCO FAX News are:

- ASCO's e-News, *MMA Special Alerts*,
and *MMA Today's*
- CMA Updates (Triplicates,
Identifying and Getting Insurers to Pay
Underpaid Claims)
- CMS/Medicare Website Updates
- DHS/MediCal Updates
- Meeting Announcements (Jennifer
Altman Foundation Memorial Lecture)
- NHIC/Medicare Website Updates

ANCO urges its members to bookmark
www.anco-online.org/news/index.html (or
subscribe to [www.anco-online.org/news/
rss.xml](http://www.anco-online.org/news/rss.xml) using your favorite news reader
software; e.g., RssReader for Windows or
NetNewsWire for Macintosh) and refer to it
often. Your suggestions are welcome and
encouraged.

ASSOCIATION NEWS

Board of Directors

Four seats on the *ANCO Board of Directors* are
up for election in 2004. ANCO seeks
nominations for candidates for these seats. This
year's election will be conducted via mail ballot
in December. Candidates with the top four vote
totals will serve for three years (i.e., from 2005-
2007, inclusive). Nominate an ANCO member
(including yourself) to stand for election to the
Board via FAX to the ANCO office at (415) 472-
3961 no later than November 19th.

The *ANCO Board of Directors* meets regularly by
teleconference and occasionally in person to
discuss issues affecting the *Association*, clinical and
professional education meeting proposals, and
ways to better serve the membership. *Board*
meetings are open to the membership. The **next
regularly scheduled ANCO Board of Directors
meeting** will take place on November 11th.
Please call José Luis González, *ANCO Executive
Director*, at (415) 472-3960 if you wish to
participate in a future meeting.

Individual Member News

The ANCO Directory of Members & Membership Information 2004 was published and mailed to all physician members; nurse and office manager contacts; and, Corporate Member representatives last June. Additional copies are available from the ANCO office upon request.

The following update(s) to the *Directory* should be inserted in the appropriate location(s):

ALPHABETICAL DIRECTORY OF PHYSICIAN MEMBERS

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Corporate Member News

ANCO thanks the following **Corporate Members** for their generous support that enables ANCO to grow and expand its services for the oncology community in Northern California, and to provide its members and their patients with substantial benefits in the areas of advocacy, education, and information dissemination:

AMGEN • APP/Abraxis Oncology
AstraZeneca • Bayer Biologicals
Berlex Laboratories • biogenIDEC
Bristol-Myers Squibb Oncology
Cell Therapeutics • Chiron Corporation

Genentech BioOncology
Genitope Corporation • Genomic Health
Genta • GlaxoSmithKline
International Oncology Network
Lash Group Healthcare Consultants
Ligand Pharmaceuticals • Lilly Oncology
MedImmune Oncology • MGI Pharma
Millennium • National Oncology Alliance
Novartis Oncology • Oncology Supply
Oncology Therapeutics Network
Oncotech • Ortho Biotech
OSI Pharmaceuticals • Pfizer Oncology
Roche Oncology • Sanofi-Synthelabo
Schering-Plough Oncology • SuperGen
US Oncology • Wyeth Oncology

We especially wish to thank and welcome *Genitope Corporation, Genomic Health, Genta, Lash Group Healthcare Consultants, OSI Pharmaceuticals, and Schering-Plough Oncology* as new Corporate Members in 2004. *Aventis and IMPATH* are no longer ANCO Corporate Members as of 2004.

Genentech BioOncology reports that Avastin (400mg) will have a new NDC and List number as early as October 2004. The new NDC number is 50242-061-01; the new List number is 16482.

Institutional Member News

ANCO thanks the following **Institutional Members** for their support:

- Stanford University Medical Oncology
- University of California, Davis, Cancer Center
- University of California, San Francisco

ANCO members can obtain information about our Institutional Member's clinical trials via www.anco-online.org/advocacy.html. *UC Davis, ANCO, and several other local agencies are cooperating on a National Institutes of Health project aimed at overcoming barriers to early phase clinical trials.* Learn more about this project at www.ucdmc.ucdavis.edu/cancer/clinical_trials/bigc/ where you can download ANCO's patient education brochure on SB37, California's law requiring the coverage of routine care costs for patients enrolled in clinical trials. Finally, **the NCI has just**

released a new *Clinical Trials Education Series* to help recruit patients available from (800) 4-CANCER or www.cancer.gov/publications.

For information on **continuing medical education meetings being organized by our Institutional Members**, please visit:

- med.stanford.edu/seminars/cme-all.jsp?qcme=on
- www.ucdmc.ucdavis.edu/cme/Confrnce/Confrnce.htm
- www.cme.ucsf.edu/cme/index.aspx?Display=Date

Stanford's *Anal Cancer: Prevention, Diagnosis, and Treatment* takes place at Stanford on October 28th. The presenter is Mark L. Welton, M.D. For more information, visit med.stanford.edu/seminars/details-documents.jsp?semid=2415.

UCD's *5th Annual Advances in Oncology: Updates from ASCO, AACR, and SWOG* takes place in Sacramento on October 30th.

UCSF's *2nd Annual Pan Pacific Lung Cancer* takes place in Hong Kong on November 6-8th. The course chairs are David M. Jablons, M.D., and Tony Mok, M.D. Visit cme.ucsf.edu/calendar/CourseDetail.asp?CourseNumber=MMJ05003 for more information.

Stanford's *Evolution of Cancer Therapy: From Pathways to Patients* takes place at Stanford on November 11th. The presenters are from Stanford, UCLA, UCSF, NIH, Spectros, and Power3 Medical. For more information, visit med.stanford.edu/seminars/details-documents.jsp?semid=2744.

The *6th Annual UCD/UCSF Thoracic Oncology Conference* takes place in San Francisco on November 13th. The course chairs are David M. Jablons, M.D., and David Gandara, M.D. Visit cme.ucsf.edu/calendar/CourseDetail.asp?CourseNumber=MSU05004 for more information.

ANCO's MMA Practice Preparedness Survey

[Editor's Note: This article was contributed by Roberta Buell, MBA, and edited for length by José Luis González, ANCO Executive Director. A longer report will appear at www.anco-online.org in the near future.]

Earlier this year, ANCO contracted with two healthcare consultants, Patricia Falconer, MBA, and Roberta Buell, MBA, to conduct an *MMA Practice Preparedness Survey*. The *Survey's* goal was to ascertain how member practices would fare under the proposed Medicare 2005 changes in drug and infusion services reimbursement. Operational goals for each practice's *Survey* included the following:

- Estimate each practice's and the average of all participants' losses due to MMA reimbursement changes.
- Identify drugs that will not be paid at practice acquisition cost.
- Assess the quality of coding for physician cognitive services and possible risks of documentation deficiencies.
- Analyze charge profiles and accounts receivable management for revenue accuracy and cash flow potential.
- Create action items for 2005 improvements that will be relevant to individual practices and to all ANCO practices.

As of the end of September, ten ($n=10$) practices had participated in the *Survey*. (Several more practices have agreed to participate in the *Survey* since the end of September.) Participating practices were characterized by being located in Northern California; having 1-11 medical oncologists; and, with an average projected practice revenue \$11.2M for 2004.

Notable **results of the *Survey*** were:

- **Physicians can expect to lose compensation in 2005.** The *Survey* found that if only Medicare reimbursement changes, then the average practice reimbursement loss was \$337,000, or \$101,000 per physician. If private payers were also to assimilate Medicare rules in 2005, this would mean an average

revenue loss of \$519,000, or \$206,000 per physician.

- **Overall revenue losses were 4-12%.** The average revenue loss was about 8%. More significantly, profit reductions ranged from 9% to over 30%. Practices that might be more profitable in 2005 have diversified services in medical oncology such as clinical trials, medical directorships, litigation support, and optimization of E&M services. Additional areas of revenue diversification (e.g., from radiation oncology, imaging, or gynecological oncology) would also mitigate negative revenue changes in 2005.
- **Many drugs are not purchased at Average Selling Price,** corroborating ASCO's survey results. Most prevalent "underwater" drugs include Gemzar, Lupron, Navelbine, Procrit (before consideration of rebates), and Taxotere. Other drugs were also unprofitable but not with the same regularity. However, Medicare allowables for 2005 will be recalculated based on 3Q04 data and on a rolling 12-month average, meaning that the ASPs used in the *Survey* may be very different than those implemented in January.
- **Drug prices vary by practice, and prices do not always vary by practice size.** Differences in pricing were related to the practice's efforts in finding the best purchase price rather than dealing with one source.
- **Physicians still do not entirely grasp appropriate evaluation & management documentation guidelines for consultations.** The *Survey*'s discrepancy rate between codes and documentation was 52%. While not unusual in medical oncology, physicians need to reeducate themselves regarding the criteria for a primary consultation and the documentation guidelines for Level 4 and Level 5, particularly the recording of the history.
- **Physicians in Northern California are consistently more aggressive in coding**

than their peers across the country, based on 2002 Medicare data. ANCO

physicians may only treat patients during the acute phase of their cancer due to competition for patients and managed care restrictions; whereas, in other parts of the country, oncologists may treat them for a year or more after treatment ends. Nevertheless, physicians need to ensure that their documentation and the quality of their medical records match the level of the codes billed. Physicians should self-audit at least once per quarter for various code types.

- **Accounts receivable aging was slightly higher in Northern California than recommended.** Well-run practices run less than 20% of their accounts receivable over 90 days. In the *Survey* sample, 25% of the accounts on average were over 90 days. In addition, less than two months of collected receipts should be outstanding. In the *Survey* sample, 2.2 months were outstanding for an average amount of \$3M.
- **Practices need to carefully watch their management of cash next year** and physicians need to pay close attention to this aspect of their practices. Cash flow suffered in the *Survey* practices due to a lack of standard collection policies and procedures; lack of patient financial planning prior to treatment; poor employee allocation; employee turnover; and, no notification by physicians of diagnosis or treatment changes.

ANCO's *MMA Practice Preparedness Survey* implicitly found that there are some physicians that believe that "business will continue as usual". While improvements might be made in the final 2005 Medicare *Physician Fee Schedule*, profits will not continue at the current levels. To assist practices with changes expected in 2005, Falconer & Buell recommend the following **action items** to all ANCO members:

- **Establish a patient financial counseling process for all new and changed treatments.** Each patient that enters a practice for chemotherapy or other therapeutic interventions must be

informed of their out of pocket costs prior to treatment. In addition, for any diagnosis that is not on-label or covered in the compendia, pre-authorization should be obtained; or, in the case of the unauthorized or Medicare, the patient must agree to possibly pay for treatment, if other forms of support are not available (via completion of an *Advance Beneficiary Notice* for Medicare patients). Practices should have a credit card on file for each patient in case this is necessary to obtain out of pocket costs.

- **Evaluate the thoroughness of your drug purchasing process.** Staff should routinely invest the time to shop for the best possible prices on all drugs.

- **Do the math on drug purchasing terms and your cash flow.** Cash flow may be very slow from Medicare claims in the beginning of the year and may be diminished for the remainder of the year. In the *Survey*, average receivables were 68 days old. Therefore, if your practice pays for drugs within 30 days, you may have a 38+day deficit of cash.

- **Minimize accounts receivable by December 31st.** Are balances over 90 days old from patients or insurance? If they are from insurance, then these claims may not be payable due to a variety of reasons (e.g., pre-existing conditions, lack of authorization, bad codes) and should be written off if they cannot be pursued. Physicians need to have a realistic idea how much cash is available. Physicians should also review accounts outstanding at least once a month at management meetings designated for this purpose.

- **Practice information is the key to success.** Productivity by code is a key management tool for your practice. This report will tell you how many hours of infusion are billed per month; billed infusion hours per nurse per month; profit per physician; evaluation & management profiles; bad codes billed; and, chair turn. If practice information is not readily available or accurate, then

costs will be difficult to control in the future.

- **Do not ignore evaluation & management coding.** Evaluation & management services will be more important as a revenue source in 2005. Moreover, there is no practice that can afford to lose lots of money in an audit next year. Remember that physicians are liable for all members of their group. Make sure you know how everyone is coding.

- **Ensure that nurses assume responsibility for drug administration.** Nurses are a vital part of cost containment, reimbursement management, and chart documentation integrity. Make sure your nurses are involved in inventory management, charge capture, institution of new coding guidelines for drug administration, and optimizing patient flow. They control this domain and should be part of the solution.

In conclusion, 2005 will be different and difficult for every medical oncology practice. It is not a time to stay isolated. Physicians should take an active management role in their practices and stay in touch with their peers to ascertain that negative experiences are common.

Members may still **enroll in ANCO's MMA Practice Preparedness Survey**, consisting of the hands-on help of two expert reimbursement and practice management consultants via a one-day practice site visit designed to assess and improve the financial health of your practice. Member practices and ANCO share the cost of the site visit. Contact the ANCO office for additional information. Finally, an **updated model practice statement to patients regarding MMA** has been posted on the ANCO website.