

## **Medicare Part B drug and oncology payment policy issues**

**ISSUES:** Medicare pays for most Part B covered drugs administered in physician offices and hospital outpatient departments and furnished by suppliers based on the average sales price (ASP) plus 6 percent. Medicare pays dispensing and supplying fees to inhalation drug suppliers and pharmacies for certain Part B drugs, which are substantially higher than the dispensing fees paid by Medicare Part D and Medicaid. Medicare pays for Part B drugs irrespective of their effectiveness or their potential to substitute for more costly interventions.

**KEY POINTS:** At the April meeting, we will focus on two broad topics. We will continue our discussion about potential changes to payment policy for Part B drugs. Commissioners will vote on a draft recommendation on the Part B drug dispensing and supplying fees. We will also continue our discussion of approaches that seek to pay efficiently for Part B oncology drugs and services while improving care quality.

**ACTION:** Commissioners should review these issues.

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