

Part B drug 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 also pays dispensing and supplying fees to inhalation drug suppliers and pharmacies for certain Part B drugs.

KEY POINTS: In this session we will explore three issues related to payment policy for Part B drugs: (1) Is there a better way to structure the add-on payment to ASP, (2) are there payment policies that could be considered to promote more price competition among Part B drugs and (3) should changes be made to the dispensing and supplying fees?

ACTION: Commissioners should review these issues and the policy alternatives.

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