

*Dear MVMA Physician:*

*MVMA and MVP have worked collaboratively through the years to bring you a monthly physician newsletter that has both Plan-wide information as well as information specific to our IPA geographic region. MVP will be moving to a quarterly newsletter mailing. Therefore, you will periodically receive information from MVMA through mailings similar to this letter that include the required notice of upcoming changes as well as timely announcements. This information also appears on our website, [www.mvma.net](http://www.mvma.net).*

*Our best wishes for a healthy and happy holiday season!*

*Richard B. Toll, MD, President*

## **MVMA Newsletter for December 2005**

### **Drug Reimbursement Methodology Change**

You may recall in our July newsletter article we announced a delay in the implementation of the change to the Average Sales Price (ASP) methodology utilized by The Centers for Medicare Services. This delay was due to the MVP system upgrade in progress at that time, which has now been completed. Therefore, the ASP methodology will be effective for dates of service beginning January 1, 2006.

The Centers for Medicare Services (CMS) modified their drug reimbursement to physicians from Average Wholesale Price (AWP) methodology to Average Sales Price (ASP). While the result was a reduction in the drug reimbursement, for the most part, this was offset somewhat by an increase in the reimbursement for the administration of the drugs. MVMA's and MVP's drug reimbursement is based on the Medicare methodology, resulting in changing over to the ASP calculation. Specifically, immunizations, injectable drugs, chemotherapy, and other drugs (collectively, "Items") will be reimbursed as follows:

- Items with a Medicare calculated Average Sales Price ("ASP") will be reimbursed at 106% of Medicare plus an administrative fee.
- Items without a Medicare calculated ASP (including, but not limited to new drugs and any Medicare-determined exception to ASP pricing) will be reimbursed at 100% of Medicare plus an administrative fee.

Medicare reimbursement is ASP +6% at the present time. The MVMA/MVP reimbursement, therefore, is ASP + 12% (stated as 106% of Medicare above). When MVP has the capability to administer NDC coding, providers must bill with NDC numbers. MVP will inform providers, via the physician newsletter, when it has this capability.

### **Therapeutic Injection Administration Codes**

MVMA and MVP have agreed to move from the flat fee reimbursement methodology to reimbursement based on RBRVS for therapeutic injection codes 90782, 90783, 90784, and 90788. This will be retroactive to July 1, 2005 and these adjustments are in progress. These codes will be changing for 2006, and will continue to be paid under the RBRVS methodology. The MVP system will be able to accommodate the new codes on January 1, 2006.

### **Rapid Flu Test**

The rapid flu test, CPT code 87804 (**Infectious agent, antigen detection by immunoassay with direct optical observation, influenza**) will be reimbursed when performed in-office for the time period 10/24/05 – 5/31/06 only.

### **MVMA IPA Contribution Made to Holiday Hunger Appeal**

A \$2500 contribution has been made to the Regional Food Bank of Northeastern New York to be utilized for their Holiday Hunger Appeal. The donation was personally delivered to the Regional Food Bank to feed those in need in the 9-county geographic area of the MVMA physician network. The Regional Food Bank has expressed their sincere appreciation of our donation during the holiday season.