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**URGENT**

**MEMORANDUM**

**TO:** Chief Financial Officers

**FROM:** Donna Kinzer, Executive Director

**DATE:** December 2, 2016

**RE:** Revision to Schedule CDS-A - Growth in the Cost of Outpatient Infusion and Chemo-therapy Drugs Schedule

My memorandum of December 1, 2016, provided an old version of the revised Schedule CDS-A. Attached you will find the correct version of the template.

If you have any questions concerning the above, you may contact Dennis Phelps at (410) 764-2565.

## Schedule CDS-A – Growth in the Cost of Outpatient Infusion and Chemotherapy Drugs

### Methodology

#### Step #1 - Limit Drugs to Outpatient Oncology Drugs

Sort from Internal Revenue and Usage Report (the Report”) or similar source the outpatient drugs on the Oncology EAPGs list for FY 2016 and FY 2015.

#### Step #2 - Determine Appropriate Price per Dose

Obtain most recent Medicare Average Sale Price (ASP) for each drug in #1 above. For 340B hospitals, apply the 340B discount.

#### Step #3 – Determine the Number of Outpatient ASP/HCPCS Code Doses

Determine whether the outpatient doses from the Report must be converted to ASP/HCPCS Code doses. If needed do the conversion.

#### Step #4 – Calculate Total Cost of Outpatient Oncology Drugs

Multiply outpatient doses #3 by ASP price per dose #2. Total each year’s cost.

#### Step #5 – Sort to Identify High Use Drugs

Sort by total cost in each year. Identify drugs accounting for 80% of total cost each year.

#### Step #6 - Identify Drugs Accounting for 80% of Total Cost Increase

Calculate cost increase for each drug in #5. Sort to identify drugs accounting for 80% of total cost increase.

#### Step #7 – CDS-A Schedule

Complete CDS-A Schedule with the detailed data\* for drugs identified in Step #6.

#### \*Detailed Instructions for CDS-A Schedule

##### Institution Name Line

Enter on this line the complete name of the reporting hospital.

##### Institution Number Line

Enter on this line the number assigned to the reporting hospital. The assigned number corresponds to the last 4 digits of the reporting hospitals Medicare Provider Number, e.g., 0099.

Column A – J or Q Drug HCPCS Code

Enter on the applicable lines the J or Q Drug HCPCS Code number. Sort from Internal Revenue and Usage Report (“the Report”) or similar source the outpatient drugs on the Oncology EAPGs list for FY 2016 and FY 2015.

Column B – Description

Enter on the applicable lines the J or Q Drug Code description. For drugs that are consolidated into a single drug code, e.g., J9999 – not otherwise classified, ANTINEOPLASTIC DRUGS, provide the description.

Column C – HCPCS Dosage

Enter on the applicable lines the HCPCS Code dosage for the J or Q Drug.

Column D – Number of HCPCS Billed Doses – FY 2016

Enter on the applicable lines the number of HCPCS billed doses administered to outpatients in FY 2016 from the Report. Doses from the Report may require conversion to HCPCS doses.

Column E – Medicare Average Sale Price per Dose

Enter on the applicable lines the latest Medicare Average Sale Price per dose of the J or Q Code Drug. Hospitals granted the 340B status shall apply their 340B discount to the discount Medicare Average Sale Price.

Column F – Total Estimated Invoice Cost – FY 2016

Enter on the applicable lines the result of multiplying the number of HCPCS Billed Doses of the applicable J or Q code drug, Column D, by the Medicare Average Sale Price per Dose of the applicable J or Q code drug, Column E.

Column G – Number of HCPCS Billed Doses – FY 2015

Enter on the applicable lines the number of HCPCS billed doses administered to outpatients in FY 2015 from the Report. Doses from the Report may require conversion to HCPCS doses.

Column H – Medicare Average Sale Price per Dose

Enter on the applicable lines the latest Medicare Average Sale Price per dose of the J or Q Code Drug. Hospitals granted the 340B status shall apply their 340B discount to the discount Medicare Average Sale Price.

Column I – Total Estimated Invoice Cost – FY 2015

Enter on the applicable lines the result of multiplying the number of HCPCS Billed Doses of the applicable J or Q code drug, Column G, by the Medicare Average Sale Price per Dose of the applicable J or Q code drug, Column H.

Column J – Increase/(Decrease) in the Estimated Invoice Cost – FY 2016 versus FY 2015

Enter on the applicable lines the result of subtracting the Total Estimated Invoice Cost – FY 2015, Column I, from the Total Estimated Invoice Cost – FY 2016, Column F.