URGENT

 MEMORANDUM

TO: Chief Financial Officers

FROM: Katie Wunderlich, Executive Director

DATE: September 23, 2022

RE: Instructions for FY 2022 Schedule CDS-A – Change in Volume of Outpatient Infusion, Chemotherapy, and Biological Oncology Drugs

For the seventh consecutive year, the HSCRC earmarked a portion of the annual Update Factor to fund costs attributable to the increasing use of high-cost physician-administered outpatient drugs, i.e., infusion, chemotherapy, and biological oncology. For Fiscal Year 2023 the Commission earmarked 0.02% for this purpose. Therefore, in order to prospectively allocate the earmarked funds to the appropriate hospitals as part of the January 1, 2023 revised rate orders, it is necessary to again collect costed volume data for the specific drugs that make up most of the outpatient infusion, chemotherapy drugs.

As in prior years, HSCRC staff intends to make a retrospective adjustment to hospitals’ Global Budget Revenue for the volume change in high-cost physician-administered outpatient drugs (infusion, chemotherapy, and biological oncology). The adjustment may be positive to reflect increased volumes, or negative to reflect decreased volumes. Hospital GBR agreements require that the HSCRC be notified of the movement of services including drugs to unregulated settings regardless of whether the movement was initiated by the hospital, the payers, or other third parties. The schedule CDS-A does not substitute for this disclosure requirement.

This year we are continuing with the change to the data collection process that was started with the 2019 audits to save time and effort. Hospitals are to review their utilization of a standard state-wide list of drugs; and then to reflect such utilization by reviewing and editing a prepopulated CDS-A template created from their case-mix data.

Consistent with the previous three years, the standard state-wide list of high-cost physician-administered outpatient oncology and infusion drugs was developed by first referencing the case-mix data, as well as recent additions to the Medicare ASP list.  The list was trimmed down by the rules for inclusion, such as: 3M’s EAPG Class Code of VII or higher for Pharmacotherapy / Chemotherapy (or its equivalent Class Code for Therapeutic Radiopharmaceutical EAPGs 245, 246 or for Brachytherapy EAPGs 336, 337) in either of the past two fiscal years (to reference relatively high cost per patient visit); state-wide case-mix charges in either of the past two fiscal years of $2 million or greater (to measure relatively high cost utilization); market share by point of service of less than 90% at physicians’ offices (to minimize inclusion of drugs best served outside of a hospital setting); and inclusion of alternate HCPCS codes for listed drugs (so to capture brand, generic, biologic, biosimilar, replacement, discontinued and temporary codes). The list was then reviewed by representatives of several high-volume health care systems.

Attached you will find one of two CDS-A related templates and related instructions. The CDS-A template for your hospital will be available for download via reference to CRISP Reporting Services and has been designed to reflect the final 2022 drug list. Instructions for downloading the template can be found in Appendix A to this memo. We are requesting each hospital to review its CDS-A template, indicate exceptions to the case-mix data, and suggest revisions. In addition, the 340B Price Data template (attached here) is to be completed by all hospitals that participated in the federal 340B drug discount program in either Fiscal 2022 or 2021.

HCPCS code dosages as defined in Medicare 2022 ASP Drug Pricing File effective July 1, 2022 through September 30, 2022, found at CMS.gov, should be used when referencing dose measurements and/or volumes. Drugs procured free of cost (for research and promotional programs), or at nominal value (sometimes referred to as “nickel” drugs due to vendor errors or irregularities inconsistent with the regulations of the 340B program) should be excluded. Procurement prices in effect at the end of the fiscal year, June 30, 2022, should be used for 340B drugs. **Both templates once completed should be transmitted to the HSCRC as Excel worksheets to** **hscrc.oncology-drugs@maryland.gov** **on or before October 21, 2022.**

The completed schedule CDS-A is subject to audit review. The audit review may include volume data comparison to the case-mix reporting and pricing comparisons to that of other hospitals and/or external data. If evidence of unreported shifting to unregulated settings is found, hospitals may have 0.5% of their annual update withheld. Since the schedule CDS-A may be used in adjusting GBR revenue, please take due care and diligence in reviewing the templates for accuracy.

If you have any questions concerning the above, you may contact Bob Gallion at Bob.Gallion@Maryland.gov or Dennis Phelps at Dennis.Phelps@Maryland.gov . Thank you for your cooperation on this important funding initiative.

Appendix A: Instructions for downloading CDS-A Template

Follow the steps below to access the CDS-A Survey in the CRISP Reporting Services (CRS) Portal.

1. Log in to the CRS Portal at <https://reports.crisphealth.org/> using your CRS credentials. Please contact your CRS Point of Contact if you do not have access to the CRS Portal.
2. Click on the **“HSCRC Regulatory Reports”** card.
3. Click on the **“CDS-A Reports”** item in the list of reports.
4. From the list of available CDS-A Reports:
	1. Click the download () button to download a Zip archive with the Survey for all Hospitals accessible to you.
	2. Click on the workbook () button next to each Hospital to download the Survey one Hospital at a time.



Attachment: Excel file containing state-wide drug list, templates, and detailed instructions for submissions