Health Services Cost Review Commission
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URGENT

MEMORANDUM

TO: Chief Financial Officers

FROM: Donna Kinzer, Executive Director

DATE: October 20, 2017

RE: Instructions for FY 2017 Schedule CDS-A - Growth in the Use of Outpatient Infusion, Chemo-therapy, and Biological Oncology Drugs

For the second consecutive year, the Commission earmarked 0.10 percent of the annual Update Factor to fund a portion of the rising cost attributable to the increasing use of new outpatient physician-administered drugs, i.e., infusion, chemo-therapy, and biological oncology drugs.

Therefore, in order to allocate the earmarked funds for FY 2018 to the appropriate hospitals as part of the January 1, 2018 revised rate orders, it is necessary again to collect cost and use data for the specific drugs that make up the majority of costs and cost growth for infusion, chemo-therapy.

Attached you will find the revised Schedule CDS-A and instructions for this year. We are requesting that the CDS-A schedule be completed, using the FY 2016 (Prior Year) and FY 2017 (Base Year) data. In addition, on a separate schedule, we are requesting information on several drugs for FY 2015, 2016, and 2017. The drugs are Remicaid (J1745), Reniflexis and Inflectra (Q5102), and Immuneglobulin (J3590). Both schedules should be transmitted to the HSCRC as Excel worksheets to hscrc.oncology-drugs@maryland.gov on or before December 8, 2017.

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

Schedule CDS-A – Growth in the Use of Outpatient Infusion, Chemotherapy, and Biological Oncology Drugs

Methodology- For latest fiscal year (2017)

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 2017.

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 the year's cost.

Step #5 – Sort to Identify High Use Drugs

Sort by total cost. Identify drugs accounting for 80% of total cost in latest fiscal year (FY 2017).

Step #6 – Drugs on the FY 2016 CDS-A Schedule not on the FY 2017 80% Total Cost List

Obtain the number of FY 2017 ASP/HCPCS Code doses for the drugs on the FY 2016 CDS-A Schedule that are not on the FY 2017 80% Total Cost List.

Step #7 – Drugs on the FY 2017 80% Total Cost List not on the FY 2016 CDS-A Schedule

Obtain the number of FY 2016 ASP/HCPCS Code doses for the drugs on the FY 2017 80% Total Cost List not on the FY 2016 CDS-A Schedule.

Step #8 – New Drugs

Include the number of ASP/HCPCS Code doses for any new outpatient infusion, chemotherapy, or biological oncology drugs for both FY 2016 and FY 2017.

Step #9 – CDS-A Schedule

Complete CDS-A Schedule with the detailed data* for drugs identified in Step #5.

*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 2017 **plus J or Q Drug HCPCS Code number and the description for the outpatient drugs reported on the FY 2016 CDS-A Schedule that are not included in the 80% of outpatient drug cost for 2017, plus any new drugs.**

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 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 2017

Enter on the applicable lines the number of HCPCS billed doses administered to outpatients in FY 2017 from the Report, **for drugs on FY 2016 CDS-A Schedule not on FY 2017 Report, and new drugs**. Doses 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 2017

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 2016

Enter on the applicable lines the number of HCPCS billed doses administered to outpatients in FY 2016 from the FY 2016 CDS-A Report, the number of doses of drugs on the 80% of outpatient drug cost for 2017 not on FY 2016 CDS-A, and the billed doses for new drugs.

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 **from Column E.**

Column I – 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 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 2017 versus FY 2016

Enter on the applicable lines the result of subtracting the Total Estimated Invoice Cost – FY 2016, Column I, from the Total Estimated Invoice Cost – FY 2017, Column F.

Instructions for Change in use of Remicaid, Inflectra, Reniflexis, and Immuneglobulin iviG

If volumes for these drugs are reported in FY 2016 and/or FY 2017 CDS-A Schedules, those volumes should be utilized in this schedule. Since there is no Medicare ASP per dose for Immuneglobulin iviG you must calculate a per dose price by converting your latest FY 2017 invoice cost to a price per 5 GM.

This schedule should be completed even if any or all the drugs are reported on the FY 2017 CDS-A.

SCHEDULE CDS-A GROWTH IN THE USE OF OUTPATIENT INFUSION, CHEMO-THERAPY, AND BIOLOGICAL ONCOLOGY DRUGS

Hospital Name _____ Hospital Number _____

			FY 2017					FY 2016	
(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
J or Q Drug HCPCS Code	Description	HCPCS Dosage	Number of HCPCS Billed Doses	Medicare ASP Per Dose	Total Estimated Invoice Cost (Col. D X Col. E)	Number of HCPCS Billed Doses	Medicare ASP Per Dose	Total Estimated Invoice Cost (Col. G X Col. H)	Increase/(Decrease) in Total Estimated Invoice Cost (Col. F Minus Col.I)

CHANGE IN USE OF REMICAID, INFLECTRA, RENIFLIXIS, AND IMMUNEGLOBIN IVIG

(A)	(B)	C	(D)	E	(F)	(G)	(H)	(I)	(J)	(K)	(L)
				FY 2015			FY2016			FY2107	
HCPCS Code	Description	HCPCS Dosage	Number of Billed Doses	Medicare ASP Per Dose *	Total Estimated Invoice Cost (Col. D X Col. E)	Number of Billed Doses	Medicare ASP Per Dose	Total Estimated Invoice Cost (Col. G X Col. H)	Number of Billed Doses	Medicare ASP Per Dose	Total Estimated Invoice Cost (Col. G X Col. H)
J1745	Remicaid	10 MG									
Q5102	Inflectra	10 MG									
Q5102	Reniflexis	10 MG									
J3590	Immuneglobulin iviG *	5 GM									

* For Immuneglobulin iviG use latest FY 2017 invoice cost converted to cost per 5 GM.