



Special Alert

November 22, 2000

HCFA Suspends New AWP

The Health Care Financing Administration (HCFA) has released Program Memorandum AB-00-115 suspending use of the new Average Wholesale Price data (AWP) in Medicare Part B payment allowances for drugs and biologicals. Although HCFA criticized the usual commercially available sources for determining AWP, it suspended the use of new data generated by the Department of Justice (DOJ) for determining AWP pending congressional action that may preclude this use of the new data.

The new AWP, based on an investigation by DOJ into the drug pricing practices of manufacturers, would reduce current reimbursement levels. AAHomecare continues to oppose the implementation of the new AWP because the excessive costs would force homecare providers to withdraw from accepting new patients for respiratory and infusion drugs, and result in reduced access of beneficiaries to these drug therapies.

The Program Memorandum is effective immediately and is available at http://www.hcfa.gov/pubforms/transmit/memos/comm_date_dsc.htm.