

## **Talking Points: Medicare Demonstration**

- A group of physicians and senior citizens staged a demonstration in front of Blue Cross and Blue Shield of Florida's Riverside offices on Friday morning, September 5. They are demonstrating against Medicare's implementation last November of a local medical review policy concerning the removal of skin lesions.
- It's important to note that this policy only affects traditional Medicare beneficiaries. Blue Cross and Blue Shield of Florida's customers are not affected by this coverage policy.
- In developing the local medical review policy concerning the removal of actinic keratoses (skin lesions), Medicare followed the process outlined in the Medicare Carriers Manual. The Health Care Financing Administration reviewed the coverage guidelines for this policy and has expressed its support for the policy.
- The local medical review policy concerning reimbursement for the removal of benign or premalignant skin lesions outlines 24 different clinical justifications for which removal of actinic keratoses would be considered medically reasonable and necessary. Examples of these are if the lesion has changed in size, has thickened, or has eroded; or if pain has developed or a cutaneous horn has developed. Another criteria specifies when a certain topical cream has been administered and the skin lesion has not responded appropriately.
- While Florida was the first state to implement this type of policy, two other states (Mississippi and Rhode Island) have already implemented similar policies for the removal of skin lesions.
- Dermatology societies filed a lawsuit last year in Federal court for injunctive relief to prevent use of the skin lesion policy. The motion was dismissed on jurisdictional grounds; they filed an appeal, and the 11th Circuit Court of Appeals in August 1997 refused to reverse the decision. The court has ruled in favor of Medicare both times.
- As the Part B Medicare carrier in Florida, we are concerned about the quality of health care that Medicare beneficiaries receive. We want to make sure that the care they receive is medically necessary and reasonable.
- Medicare reimburses physicians for all of the preventive and screening tests that the federal law allows. This includes mammograms and Pap smears. Pap smears are covered on both a screening and medically necessary basis, as described by Health Care Financing Administration guidelines.
- Blue Cross and Blue Shield of Florida performs its Medicare business under contract, through the national Blue Cross and Blue Shield Association for Part A (hospital care). For Part B (physician and other clinical services), BCBSF works directly with the Health Care Financing Administration, the federal government agency that oversees Medicare. Medicare contracts are performed on a cost reimbursement basis. There are no profits derived by BCBSF under these contracts, only reimbursement of budgeted costs approved by the federal government.