

Table 26

**Impact of Drug and Physician Fee Schedule Payment Changes
on Total Medicare Allowed Charges
for Selected Specialties**

Specialty	Drugs			Physician Fee Schedule				
	Estimated Medicare Drug Revenues (\$ in Millions)	% Change Medicare Drug Revenues	Medicare Allowed Charges (\$ in Millions)	Practice Expense & Malpractice RVU Changes	Drug Administration Payment Changes	Physician Fee Schedule Update	Total Physician Fee Schedule Changes	
HEMATOLOGY/ONCOLOGY	\$ 4,363	-8%	\$ 1,753	0%	-10% to 10%	1.5%	-9% to 12%	
UROLOGY	\$ 1,061	-36%	\$ 1,699	0%	-1% to 17%	1.5%	0% to 19%	
RHEUMATOLOGY	\$ 373	-6%	\$ 413	0%	-2% to 0%	1.5%	0% to 2%	
OBSTETRICS/GYNECOLOGY	\$ 88	-18%	\$ 582	0%	-1% to -1%	1.5%	1% to 1%	

The amounts shown on the left-hand side of the column labeled "Drug Administration Payment Changes" offset a part of the increase these specialties received in 2004 as shown in the January 7, 2004 **Federal Register** (69 FR 1100). We estimate the 2003-2005 increase in physician fee schedule payments to these specialties (before application of the physician fee schedule update) to be 28 percent for oncology, 2 percent for obstetrics/gynecology, 4 percent for rheumatology and 2 percent for urology. Urology received an additional 2 percent increase in total physician fee schedule payments (again, before application of the update) from 2002 to 2003 (see 67 FR 80035-80036 published on December 31, 2002) as a result of the large increase in payment for CPT code 96400 making the 2002-2005 payment increase exceed 4 percent.