

Markups for oncology services vary at the hospital level

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(HealthDay)—There is significant variation in markup of outpatient

oncology services across hospitals in the United States, according to a study published online Feb. 17 in the *American Journal of Managed Care*.

Angela Park, from the Johns Hopkins School of Medicine in Baltimore, and colleagues examined variation in price markup by hospital and by [oncology](#) specialty using 2014 Medicare Part B physician reimbursement data. The markup ratio was defined as the charge billed divided by the amount allowed by Medicare. Data were included for 3,248 hospitals from all 50 states.

The researchers found significant variation in markup ratios by hospital across oncology specialties: radiology, median = 3.7 (interquartile range [IQR], 3.1 to 4.5); hematology/oncology, median = 2.3 (IQR, 1.8 to 2.9); medical oncology, median = 2.4 (IQR, 1.8 to 3.0); pathology, median = 4.1 (IQR, 3.1 to 5.1); and [radiation oncology](#), median = 3.6 (IQR, 2.9 to 4.5). There was a correlation for higher markups with for-profit status for medical oncology services (coefficient, 0.29), and with prestige status for radiology and pathology services (coefficients, 0.53 and 0.65, respectively).

"Our findings contribute to emerging evidence that prestigious hospitals or large [hospital](#) chains use higher chargemaster pricing to 'anchor' negotiations and gain higher reimbursement from insurers," the authors write. "In this way, price markups contribute to the inflation of medical costs in the health care system and can affect patients' treatment decisions as their out-of-pocket costs increase."

More information: [Abstract/Full Text](#)

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