



Thursday, November 10, 2011

SPECIAL ACTION ALERT: Tell Congress to Oppose Medicare Cuts to Cancer-Fighting Drugs!

With the Joint Select Committee on Deficit Reduction (Select Committee) deadline for identifying trillions in federal savings rapidly approaching, it is expected that a plan will emerge imminently – a plan that could include a devastating \$3.2 billion in cuts to cancer care drugs.

As previously reported, this proposed cut to the Average Sales Price (ASP) for drugs reimbursed under Medicare Part B (from ASP + 6% to ASP + 3%) would put serious financial strain on community oncology practices, which provide treatment to more than 80% of the nation's cancer patients.

McKesson Specialty Health | The US Oncology Network has been aggressively fighting this potential cut both as an organization and jointly with other cancer care advocacy groups (*see details below*) – but **we need YOUR help.**

We urge you to immediately make your voices heard on this critical issue. Take a few moments to make a phone call (talking points provided) or send an email (draft provided) to explain to your Members of Congress the seriousness of these potential Medicare cuts.

The threat to community cancer care remains very real. [Click here to Take Action!](#)

As Select Committee Deadline Nears, Opposition to Cancer Cuts Grows

With only two weeks remaining until the Select Committee deadline for identifying at least \$1.2 trillion in federal savings over the next decade, McKesson Specialty Health | The US Oncology Network and a coalition of leading national patient advocacy and health care professional organizations remain united in urging lawmakers to reject the drastic \$3.2 billion proposed cut to cancer care drugs as part of any final package.

Over the past several months, the coalition has vocally opposed the potential cut for drugs reimbursed under Medicare Part B from ASP + 6% to ASP + 3% through targeted inside the beltway press coverage, print and online advertising and grassroots involvement from the organizations' respective members.

Following the recent McKesson Specialty Health | The US Oncology Network [webinar](#) on the [Milliman report](#) showing the cost benefits of community-based cancer for the Medicare program and Medicare patients, on November 1, Representative Mike Rogers (R-MI) sent a [Dear Colleague letter](#) calling attention to the Milliman report findings and noting that payment cuts for cancer drugs administered in the physician setting should be rejected by the Congress and the Select Committee. (*See the article regarding Rep. Rogers' letter on page 3.*)

On October 31, the coalition unveiled a new print and online [advertising campaign](#) urging lawmakers to oppose the ASP funding cut in order to spare our nation's cancer patients from deep Medicare cuts and loss of cancer care in their community. The ads will be running in key publications and websites read by lawmakers and staff, including *Roll Call*, *National Journal*, *The Hill* and *CQ Today*, through next week.

In addition, last week, McKesson Specialty Health | The US Oncology Network joined with the coalition in a grassroots "virtual" Capitol Hill Day, in which advocates called and emailed Members of Congress to educate them on the potential effects of these drastic Medicare cuts on cancer care in the community setting.

Coalition members are working together to maintain our significant joint opposition to ASP cuts in this final stretch of Select Committee negotiations in the coming weeks.

Select Committee Agreement on Deficit-Lowering Plan Remains Uncertain

According to Congressional sources, the Select Committee will need to agree on a deficit-lowering package within the next week in order to send it to the Congressional Budget Office (CBO) for scoring and reach its November 23 deadline for presenting legislation to Congress to approve.

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Select Committee Agreement on Deficit-Lowering Plan Remains Uncertain (*cont'd*)

Although the committee has successfully kept the details of its deliberations private, its talks have reportedly stalled due to continued disagreement between Republicans and Democrats over tax revenues. In order to achieve success, Republicans will need to give ground on raising taxes, and Democrats will likely need to agree to deeper cuts to Medicare and Medicaid than they would like.

Republicans on the committee have recently proposed a tax reform plan estimated to raise more than \$300 billion in new revenue, but it remains unclear whether this latest proposal will provide the momentum for a package that will achieve consensus.

In spite of their continued disagreement on plan details, Select Committee members on both sides of the aisle remain concerned about another U.S. credit rating downgrade and are motivated to avoid across-the-board spending cuts that would “trigger” automatically in 2013 if the committee fails to create savings as instructed.

With the window of opportunity for a plan narrowing, voters’ pessimism is increasing. A poll released November 3 by Quinnipiac University found that 67 percent of the 2,294 registered voters surveyed do not believe the Select Committee will reach a deal by their deadline.

Physicians Set to Receive 27.4% Cut Under Final 2012 Physician Fee Schedule Rule

On November 1, the Centers for Medicare & Medicaid Services (CMS) issued its final 2012 Physician Fee Schedule (PFS) rule, which calls for a 27.4% across-the-board cut in payment rates attributed to the sustainable growth rate (SGR).

The scheduled reduction – set to take effect on January 1, 2012 unless Congress intervenes to avert it – is slightly lower than the 29.5% cut announced in the proposed 2012 PFS issued in July. In a statement issued about the rule, CMS Administrator Donald Berwick said, “This payment rate cut would have dire consequences that should not be allowed to happen.” It is expected that Congress will prevent these cuts in a short-term fix before the end of the year.

As in the Proposed Rule, CMS indicates that the major overall code drivers relate to the third year of implementation of the Physician Practice Information Survey (PPIS) and secondary effects relating to the rebasing of the Medicare Economic Index (MEI). Key changes in the Final Rule include:

- Specialty cuts including:
 - Radiation Oncology:
 - 2012: -6% (-4% in the proposed rule)
 - 2013: -10% (-8% in the proposed rule)
 - Hematology/Oncology:
 - 2012: 0% (0% in proposed rule)
 - 2013: -1% (-2% in the proposed rule)
- Expands the Multiple Procedure Payment Reductions (MPPR) policy to the professional interpretation of advance imaging services when multiple imaging services are furnished to the same patient, by the same physician or group practice, in the same session on the same day – although CMS did scale back the proposed reductions from 50% to 25%.
- Expands the list of services that can be furnished through tele-health, including smoking cessation services
 - Substitutes 103% of the AMP for certain drugs that are now paid at 106% of manufacturer’s ASP – only applying to drugs that have exceeded a price substitution threshold in two consecutive quarters or three of the preceding four quarters and only if the price is lower than 106% of ASP
 - Updates and modifies the number of physician incentive programs, including PQRS, ePrescribing and the EHR Incentive Program

The final rule is anticipated to be published in the November 28 *Federal Register*.

President Obama Issues Executive Order in Response to Drug Shortages

On October 31, President Obama ordered the Food and Drug Administration (FDA) to take a series of steps to help ease the national drug shortage crisis affecting important cancer treatments, anti-infection medications and other drugs.

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President Obama Issues Executive Order in Response to Drug Shortages (*cont'd*)

Specifically, the President mandated in an Executive Order that the FDA expand its reporting of potential shortages of certain prescription drugs; hasten the review of new manufacturing sites, suppliers and manufacturing changes; and work with the Department of Justice to determine if drug wholesalers are illegally stockpiling certain medications or increasing drug prices to gouge consumers.

The same day, the Obama administration took several other actions related to addressing the shortages issue. These included:

- Sending a letter to pharmaceutical manufacturers to remind them that they are responsible for reporting the discontinuation of certain drugs to the FDA and urge them to notify the agency about potential shortages where notification is not currently required;
- Releasing a Department of Health and Human Services (HHS) report analyzing the economic factors leading to drug shortages, particularly of sterile injectable oncology drugs;
- Unveiling an FDA report on its activities in monitoring and responding to shortages; and
- Dedicating additional resources to the FDA's Drug Shortages Program.

As previously reported, the bipartisan "Preserving Access to Life-Saving Medications Act" – sponsored by Sen. Amy Klobuchar (D-MN) and Sen. Bob Casey (D-PA) in the Senate and Rep. Diana DeGette (D-CO) and Rep. Tom Rooney (R-FL) in the House and supported by the President – would require drug companies to alert the FDA of all anticipated prescription drug shortages and allow the FDA to then notify providers, allowing them to find another source of the drug or select another course of treatment.

[Click here](#) to read the White House press release on the Executive Order.

[Click here](#) to read an editorial from the Community Oncology Alliance (COA) regarding the drug shortages.



Rogers urges colleagues to reject cancer drug pay cuts November 7, 2011

Rep. Mike Rogers (R-MI) last week sent a letter to his colleagues to draw attention to a recent report by Milliman Inc. that found providing cancer treatment in community-based cancer centers, rather than in other settings, can save Medicare and patients money. Rogers further says that the findings show payment cuts for cancer drugs administered in the physician setting should be rejected by the Congress and the super committee.

Reducing the formula for reimbursing cancer clinics for drugs under Medicare Part B from average sales price (ASP) plus 6 percent for handling, down to ASP plus 3 percent, has been on the list of options in several of the deficit reduction talks, including the policy lists generated by the Biden group and House Ways and Means Democrats. Cancer clinics are strongly opposed to the proposed payment cuts, which they say would result in more clinic closures and could exacerbate the drug shortage, which many experts say has already been impacted by the current drug reimbursement policy.

Rogers points out in his letter that Milliman's report, Site of Service Cost Difference for Medicare Patients Receiving Chemotherapy, found that total Medicare spending on patients receiving chemotherapy treatment in the physicians setting was 14.2 percent lower than in other settings. "This amounts to \$6,500 in savings per cancer patient annually or an extra \$623 million saved under Medicare per year," he says.

Additionally, the report found that patient co-pays were about 10 percent lower in physician settings, which saved Medicare beneficiaries about \$650 per year.

"Congress should continue to pore over each dime spent by the federal government," Rogers writes in his Nov. 1 letter. "But when we come across a program that that saves dollars for taxpayers and seniors – like community-based care under Medicare - it should be preserved, not dismantled," he adds.