The US Oncology Network

Oppose Medicare Cuts to Cancer-Fighting Drugs

With the Budget Control Act Select Committee failing to meet their November 23, 2011 deadline to develop $1.2 trillion in deficit savings, oncologists are now facing a 2% across the board cut to all Medicare services in 2013. **On top of this significant cut an additional threat to the provision of cancer-fighting drugs still persists** as lawmakers develop the offsets needed to fix the Medicare physician reimbursement cuts scheduled to take effect March 1st of this year.

The $3.2 billion proposed payment cut to cancer care that was offered to the Select Committee as a potential offset, or "payfor," within federal debt reduction efforts is likely to resurface during the Medicare physician reimbursement discussions in the coming weeks. The reimbursement for cancer-fighting drugs under Medicare Part B is being taken to an unsustainable level.

Congress will be looking at several areas in Medicare, including cuts to ASP, as a potential offset to the looming SGR cuts. The sustainable growth rate (SGR) formula which reimburses physicians for Medicare services was scheduled to take a 27.4% cut January 1, 2012, but was temporarily delayed by Congress until March 1, 2012. A permanent solution to the SGR would cost the government well over $300 billion, while a 1-year freeze would still cost $22 billion.

The Current Reality for Cancer-Fighting Drugs:

- ***ASP + 6% is now ASP – 3.5 %***

ASP
+ 6 % (MMA)
- 2 % (sequestration)
- 1.5 % (prompt pay discount)
- 5 % (uncollectable co-insurance)
- 1 % (two quarter lag)

ASP – 3.5 %

Members of Congress we ask that you urge Leadership and relevant Committee Members to reject dangerous Medicare cuts

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Such massive cuts for drugs reimbursed under Medicare Part B would put serious financial strain on community oncology practices, which provide treatment to more than 80% of the nation's cancer patients. It is these cancer patients that will ultimately bear the brunt of these drastic cuts.

With numerous community practices already struggling to survive and hundreds having closed their doors over the last three years, additional cuts will have a devastating impact: more community oncology practices will close, limiting access to care and forcing many cancer patients to travel outside of their communities, which often results in duplicative and unnecessary services, additional co-pays, and physical and emotional suffering.

A recent study[1] finds that the cost of treating cancer patients is significantly lower for both Medicare patients and the Medicare program when done in community-based care settings as compared to the same treatment in other settings. Data indicates that:

- **Medicare pays less –** total Medicare spending on chemotherapy patients receiving treatment in the physician's office is **14.2 % lower**, amounting to **$6,500 in savings per cancer patient annually or an extra $623 million saved per year.**
- **Cancer patients pay less** -- patient co-pay amounts were found to be approximately **10% lower** in the physician's office, amounting to more than **$650 in savings for the cancer patient per year.**

In recognition of the dire financial reality already facing community oncology practices almost 50 bipartisan Congressional leaders have co-sponsored HR 905 (Whitfield/Green) and S 733 (Stabenow/Roberts) to ensure more appropriate payment for drugs and biologics under Medicare Part B. The US Oncology Network urges Congress to improve the viability of community cancer care through this forward-looking legislation rather than imposing significant payment cuts that would be devastating to both community cancer clinics and their patients.

[1] https://ex.democracydata.com/CB13278093BDCEAE05CA9FC1F62FC3D4C5EC6424/12676bd2-c4ca-4418-b578-abcc3cc1c366.pdf

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