US Oncology
Health Policy REPORT
UNITED WE HEAL

Wednesday, May 11, 2011

Congress Turns Focus to Ongoing Debate Over "Doc Fix"

As part of an ongoing effort to improve the Medicare physician payment system, the House Energy and Commerce (E&C) Committee's Subcommittee on Health held a hearing on Thursday, May 5, titled "The Need to Move Beyond the SGR". Under the current system, physician payments in 2012 are scheduled to be cut by 29 percent. For almost a decade, lawmakers have been unable to pass a permanent solution because of conflicting views among policymakers, experts and stakeholders on how the Medicare physician payment system should be structured.

On March 30, the committee issued a bipartisan letter to 51 associations soliciting comments and suggestions for restructuring the existing Medicare physician payment system. The American Medical Association responded to the E&C Committee's requests with a three-pronged approach to payment reform including: 1. immediate repeal of the Medicare SGR formula; 2. implementation of a five-year period of "stable payments"; and 3. timely testing of new payment structures to determine the pathway for a permanent solution to the physician payment system by September 30, 2015.

During the hearing, former CMS Administrator Mark McClellan spoke to the importance of creating an innovative payment structure that rewards quality of care over volume of care[1]. He stated that, "To get a better match between payments and what the oncologists think is most important for their patients, oncologists at the Kansas City Cancer Center, in Kansas City, Missouri, have partnered with United Healthcare to provide more resources for other activities." Under this pilot program the oncologists still get paid for costs related to the chemotherapy they administer, and with more resources they are "spending time working out a treatment plan that meets each patient's individual needs; managing patient symptoms; coordinating care with other providers."

McClellan went on to say "No one knows better than physicians how to answer the key questions: Where are the best opportunities to improve care and avoid unnecessary costs for their Medicare patients, and how can we implement practical payment reforms that support these improvements in care?" US Oncology has seen first-hand that shared saving structures based on the specialty-driven Accountable Care Organization concept[2] can maintain and improve quality while reducing the total cost of a patient's cancer care. US Oncology is proud of a recent study[3] which shows that this program can produce significant savings (35 percent) while maintaining the highest quality care for patients with non-small cell lung cancer (NSCLC).

Thursday's hearing signalled bipartisan support for physicians' call for stable payments as new payment models are weighed that could form a permanent solution, although the debate is likely to heat up as lawmakers continue to explore ways to pay for a replacement to the SGR policy, especially during a period of growing fiscal austerity.

E&C health subcommittee vice chairman Michael Burgess (R-TX) said that both assisting dual eligibles with a "concierge physician" and medical malpractice reform could be viewed as logical ways to pay for SGR reform.

Following the hearing, the House Ways and Means Committee, which shares jurisdiction with Energy and Commerce on health issues, announced that they will hold a similar hearing on Thursday, May 12.

[1] http://democrats.energycommerce.house.gov/sites/default/files/image_uploads/Testimony_McClellan_05.05.11_SGR.pdf

[2] http://www.legislink.com/getobject.aspx?path=root/capconnect/callout&name=0405

[3] http://www.usoncology.com/corporate/NewsRoom/USOncologyInTheNews/JOP%20NSCLC%20Neubauer.pdf

GOP Continues Efforts to Defund Health Care Law

On Wednesday, May 4, more than two dozen states urged the 11th Circuit Court of Appeals in Atlanta to uphold U.S. District Judge Roger Vinson's ruling that the entire health care reform law should be overturned. As the lead plaintiff, Florida argued that the law unconstitutionally violates individual freedoms, exceeds Congress's enumerated powers, and coerces the states in violation of the Tenth Amendment, specifically challenging the law's individual mandate that everyone have health insurance and the expansion of Medicaid.

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GOP Continues Efforts to Defund Health Care Law (Cont'd)

So far, five federal judges have issued a ruling on the health care reform law – three Democratic appointed judges ruling to uphold the law and two Republican appointed judges ruling against it.

After repeated failed efforts by the GOP to overturn the health care law in its entirety, House Republicans are targeting more specific measures to gradually chip away at the law. Specifically, last week, House Republicans voted to reverse two important measures.

On Tuesday, May 3, the House of Representatives voted by a 238-183 margin to cease the flow of federal funding for health insurance exchanges, an integral part of the health care reform law's goal to expand insurance coverage. Soon after, the lower chamber also passed legislation by a 235-191 margin to eliminate funding to construct school-based health centers. Both bills would limit the authority of the secretary of the Health and Human Services, granted in the health care law, to distribute money for the two programs without going through the annual congressional budget process. Neither of these measures is expected to make any headway when they reach the Senate; however, they are just the latest in a series of efforts by the House to dismantle the bill. Last month, the House approved a measure repealing the Prevention and Public Health Fund, and the chamber passed a spending resolution this year that would have defunded several parts of the law.

Debate Continues of Budget Proposals for FY 2012

Last week, lawmakers returned to D.C. to pick up on what seems like will be a long battle over the nation's solvency. On April 15, the House passed a proposed FY 2012 budget resolution offered by Rep. Paul Ryan (R-Wis.), chairman of the House Budget Committee, which is estimated to cut $5.8 trillion over ten years partly through drastic changes to Medicare and Medicaid programs. Critics of the proposed budget say the plan would shift a greater share of health care costs to seniors over time. The proposed budget framework also calls for repealing most of the health care reform law.

On April 13, President Obama set forth his deficit reduction plan that calls for billions of dollars in Medicare and Medicaid savings without drastic changes to the program. Specifically, President Obama's plan would cut $480 billion from Medicare and Medicaid by 2023. Among other things, the proposal would set new spending targets for reducing Medicare growth that would be overseen by the controversial Independent Payment Advisory Board (IPAB), reduce Medicare prescription drug spending by making generic versions of biologic drugs available more quickly by prohibiting "pay-for-delay" agreements, and give states a single matching Medicaid payment rate that would reward them for keeping costs down.

On May 3, Senate Budget Committee Chairman Kent Conrad (D-ND) announced that he is preparing a fiscal blueprint which would slash the deficit by $4 trillion over the next decade – a plan built on the findings of the President's deficit commission. Conrad's plan would offer a counterpoint to the House GOP plan and specifically calls for a complete overhaul of the tax code, eliminating numerous tax write-offs and lowering income tax rates, but leaving Social Security untouched. Conrad expects that the measure will come up for a committee vote this week. Conrad is also part of the "Gang of Six" senators who are currently working to devise a plan that would force Congress to pass deficit-slashing legislation.

CARE Act Expected to be Reintroduced to Congress Soon

In the coming weeks, the Consistency, Accuracy, Responsibility and Excellence (CARE) in Medical Imaging and Radiation Therapy Act is expected to be reintroduced to the House of Representatives by Representatives Ed Whitfield (R-KY) and John Barrow (D-GA). This legislation would set minimum certification and educational standards for non-physician technical personnel (radiation therapists, medical physicists, and medical dosimetrists) performing medical imaging and administering radiation therapy to patients. The CARE Act would use a three-tiered approach to improve the quality and safety of radiation therapy delivery by requiring these medical personnel to graduate from a specialized education program, pass a national certification exam, and maintain competency by obtaining continuing education.

CARE Act supporters, including the radiation oncology, imaging, manufacturer and physician communities, claim that the legislation will protect patients from receiving unnecessary radiation exposure and reassure patients that their treatments are being assessed, planned, and delivered by highly qualified personnel.