



Wednesday, December 12, 2012

## Congress Approaches Fiscal Cliff Deadline

Congress is quickly reaching its end-of-year deadline to reach consensus on a budget agreement to avoid the “fiscal cliff” – an estimated \$7 trillion in tax increases and spending cuts over a decade that will begin to go into effect on January 1. If the fiscal cliff is not averted, it will create a substantial risk of an economic recession during 2013, according to many analysts. Spending cuts specific to health care under the fiscal cliff include the 27 percent payment cut to physicians under Medicare’s Sustainable Growth Rate (SGR) as well as 2 percent cuts to Medicare providers under the Budget Control Act’s sequestration cuts, estimated to total \$11 billion in fiscal 2013 and \$123 billion over the next nine years.

In recent budget negotiations, Republicans and Democrats have reached a stalemate over the issue of taxes, with Democrats insisting on raising tax rates for higher income earners and the GOP pushing back on the idea while favoring spending cuts and changes to entitlement programs. Due to ongoing partisan divide on how to prevent the fiscal cliff cuts and a limited end-of-year timeframe for action, Congress is focusing on a two-step process involving a deficit-lowering “down payment” plan before the end of the year that will serve as a foundation for a more comprehensive agreement next year.

Thus far, the White House has proposed a \$4 trillion deficit reduction plan that includes \$1.6 trillion in tax increases and \$400 billion in spending cuts to health care programs over the coming decade. The White House plan also calls for an extension of the Social Security payroll tax break and unemployment insurance benefits, a one-year deferral of the \$1.2 trillion in sequestration cuts over 10 years, a multiyear stimulus package with at least \$50 billion for the 2013 fiscal year, a White House proposal to refinance underwater mortgages and a permanent increase in the debt limit

Republicans, meanwhile, have offered a \$4.6 trillion deficit reduction proposal including \$2.2 trillion in future deficit reductions. These include \$800 billion generated through tax reform, \$600 in cuts to health care programs, \$600 billion in other spending cuts, and \$200 billion in savings through revising the consumer price index as a measure of inflation.

The GOP has also indicated it will advocate for raising the eligibility age for Medicare and implementing means testing for the program, whereby wealthier seniors would pay more for their premiums. While President Obama privately endorsed these changes to the program during debt limit negotiations last year, he has yet to support them in this latest round of discussions.

Last weekend, President Obama and House Speaker John Boehner met at the White House to discuss the fiscal cliff. However, neither the White House nor the speaker’s office has provided details on how long the two leaders spoke or whether they made any progress in their talks.

Although both parties have steadfastly opposed allowing the sequestration cuts to take effect, with their inability to reach a solution as yet the Obama administration is moving forward with preparing for the spending cuts if no agreement is reached. Recently, the White House Office of Management and Budget (OMB) asked federal agencies to provide greater detail on how they would cut spending if the sequester is triggered. However, with agencies not yet reporting how cuts would be implemented, this leaves major uncertainty for federal employees and contractors.

Even if negotiators reach agreement on a plan, it is not certain that the House and Senate will pass legislation in time to avoid the fiscal cliff’s tax hikes and across-the-board spending cuts. House Majority Leader Eric Cantor has said the lower chamber would stay in session until a “credible solution to the fiscal cliff has been found, leaving open the possibility that Congress will be back in session between Christmas and the end of the year.

## The US Oncology Network, Aetna Study Indicates Quality and Cost Improvements from Clinically Proven, Integrated Cancer Care

This month, The US Oncology Network and Aetna announced results of our joint cancer management program, indicating that members in the program had the same or better health outcomes with lower costs compared to members who were not part of the program.

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**The US Oncology Network, Aetna Study Indicates Quality and Cost Improvements from Clinically Proven, Integrated Cancer Care (cont'd)**

The program effectively decreased emergency room (ER) visits by 39.8 percent, decreased hospital admissions by 16.5 percent and reduced the number of hospital days by 35.9 percent among 184 enrolled members. The program also resulted in approximately 12 percent cost savings among lung, breast and colorectal cancers alone. Outcomes of the program were unveiled at the American Society of Clinical Oncology (ASCO) inaugural Quality Care Symposium held Nov. 30 – Dec. 1 in San Diego.

The program was developed with [Innovent Oncology](#), a business within McKesson Specialty Health that draws upon the expertise and resources developed by The US Oncology Network. Guidelines based on medical evidence and nurses certified in cancer care were used to reduce ER and in-patient admissions. Such reductions lower the cost of cancer treatment and improve care quality. The pilot was available to Aetna members treated by physicians with [Texas Oncology](#), an affiliate of The US Oncology Network, between June 2010 and April of this year.

The Innovent Oncology program supports patients before the first scheduled treatment and continues throughout the course of therapy. Three key components ensure consistency in care, control costs and provide a better experience:

**Level I Pathways and Health Information Technology** – Guidelines based on evidence direct treatment to clinically proven options that optimize outcomes and minimize side effects. Health information technology gives doctors electronic access to these guidelines and other decision-support resources at the point-of-care.

**Patient Support Services** – Innovent Oncology's nurses work with the oncology practices and Aetna's care management team to provide proactive care to patients. The nurses specialize in cancer care and help manage treatment symptoms and side effects, including depression.

**Advance Care Planning** – Members have access to end-of-life planning and support, if those hard decisions become necessary.

Innovent nurses as well as clinicians from Aetna's Compassionate Care program who have expertise in end-of-life support offer these services.

"This program helps patients and families face cancer with fewer side effects, less time in treatment and less financial strain," said J. Russell Hoverman, medical director, Managed Care, The US Oncology Network.

**Drug Shortage Legislation Introduced in U.S. House**

On November 29, Congressman Bill Cassidy, M.D. (R-LA) introduced the Patient Access to Drugs in Shortage Act of 2012. This legislation attempts to ensure that medical patients across the country continue to have access to lifesaving cancer treatments and are not adversely impacted by drug shortages.

Drug shortages in the generic injectable market have become a serious problem over the last few years. In fact, there were 211 new drug shortages in 2011 as compared to only 58 in 2004. The Patient Access to Drugs in Shortages Act will assist to remedy this problem by creating a payment mechanism that would be triggered any time a generic injectable drug is likely to become in short supply.

Specifically, this bill will incentivize manufacturers to continue production of generic sterile injectables by:

- changing the Medicare reimbursement rate for generic sterile injectables with three or fewer active manufacturers from ASP+6% to the Wholesale Acquisition Cost (WAC);
- exempting generic sterile injectables with three or fewer active manufacturers from Medicaid rebates and 340B discounts; and
- offering an exclusion from the PPACA annual fee for these generic sterile injectables.

The US Oncology Network applauds Congressman Cassidy for his leadership and support of community cancer care and looks forward to working with the Congress to enact this common sense approach to averting drug shortages before they happen.

To view The US Oncology Letter of support [click here](#).  
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## **Drug Shortage Legislation Introduced in U.S. House (*cont'd*)**

For a summary of the legislation [click here](#).

For a FAQ document on the legislation [click here](#).

To view the legislation [click here](#).

## **Following Five-Year Fight, Recalcitrant Cancer Research Act Nears Victory**

Last week, the Recalcitrant Cancer Research Act, sponsored by Rep. Anna Eshoo (D-CA) in the House and Sen. Sheldon Whitehouse (D-RI) in the Senate, was adopted by voice vote as an amendment to the Senate defense authorization bill – legislation authorizing money for weapons, aircraft and ships and providing a 1.7 percent pay raise for military personnel – which was then passed in the upper chamber by a vote of 98-0.

This action followed the cancer research bill's unanimous passage in the House this fall and five years of work from Rep. Eshoo, including picking up cosponsors, advocating for passage with patient advocates and working tirelessly to keep the legislation top of mind with fellow lawmakers.

First introduced as the Pancreatic Cancer Research and Education Act in 2008, the bill requires that federal health officials develop research frameworks for pancreatic and lung cancer, which have five-year survival rates of less than 50 percent.

The original version of the legislation would have directed the National Cancer Institute (NCI) to spend \$887.8 million on pancreatic cancer research and create a special 13-member advisory panel to direct the efforts. However, the NCI objected to the bill's proposed infringement on its peer review system and said that prioritizing research for one condition over another could pose ethical challenges for disease scientists.

Now, the legislation requires the NCI to create frameworks for addressing deadly cancers rather than sponsor new research. In the House, the legislation garnered 294 sponsors this session, and the bill had 23 sponsors in the Senate.

The White House has threatened to veto the defense bill due to its departures from the Pentagon's 2013 budget request and limitations of transfers of detainees from Guantanamo Bay to foreign countries and other U.S. prisons.

Following the Senate's passage of the bill, a House-Senate conference committee will be tasked with merging the two chambers' different versions of the legislation. Committee members are said to be prepared to quickly begin negotiations on the bills in order to send a final version to the President by the end of December.