The US Oncology Network

Protect Access to Integrated Cancer Care

A Closer Look at the In-Office Ancillary Services (IOAS) Provision

Background

The IOAS provision was deliberately included in the original "Stark Law" passed by Congress in order to preserve the long-standing practice of bringing together advanced treatment options when the service or procedure is ancillary to the original patient diagnosis. This provision is of particular importance to cancer care in the community setting in that it provides patient access to chemotherapy, radiation therapy and advanced imaging together - all under one roof. Congress and the Centers for Medicare and Medicaid Services (CMS) have examined this policy on numerous occasions, continually recognizing its distinct and profound benefits on patient care.

In a new report from BRG Healthcare, *A Detailed Diagnosis Of Integrated Community Oncology*, researchers examine integrated community oncology practices, which they call a cornerstone of cancer care because they provide efficient, quality cancer care to patients in their community at a cost that is lower to both the patient and payers, including Medicare.[i] Benefits of integrated care include:

- Coordination of traditional cancer care, such as chemotherapy and radiation therapy, with ancillary services, such as social support
- Access to cutting edge innovations in the fight against cancer, including participation in new cancer care models like oncology medical homes
- Costs that are demonstrably lower than hospital outpatient-based care

What it Means to Patients

This provision protects the integration of care, which has become the gold standard in many specialties – particularly in more complex diseases like cancer. Any restrictions on this provision contradict care coordination and would result in fragmented care that could prolong or delay a patient's course of treatment. Further, it would increase patient costs by forcing them to seek care in higher cost settings.

A recent JAMA study examining 4.5 million patients found that expenditures per patient were 10.3 percent higher for care delivered by physician groups owned by hospitals than in independent practices and nearly 20 percent higher for patients who received care from physician groups owned by multi-hospital systems.[ii]

Protecting integrated cancer care means:

- **Patient Access** to fully comprehensive cancer care that spans the entire continuum of care while avoiding multiple or unnecessary visits to different sites – saving both time and money.
- **Patient Protection** of their physician relationship with only one treatment "team" managing a patient's course of care.
- **Improved Coordination** and communication between all physicians and caregivers through the use of a uniformed medical record, allowing for seamless treatment with different modalities and avoidance on unnecessary care.
- **Innovative Care** and access to the administration of breakthrough combined modality treatment and collective treatment planning.

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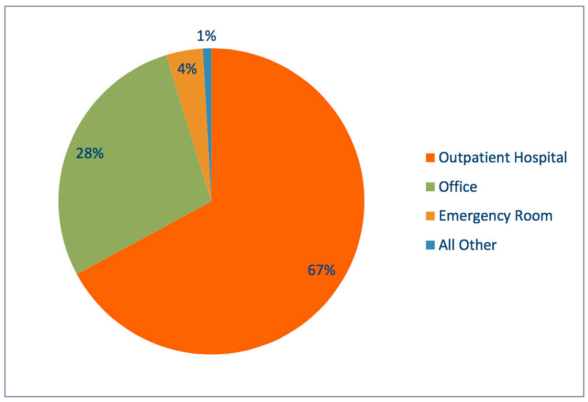
What it Means to Healthcare Costs

Healthcare costs increase when patient seek care in the hospital outpatient department (HPOD). Medicare payment for advanced imaging, for example, is 36 to 53 percent higher in the HOPD setting than in a physician office.

According to researchers at Milliman, Inc., the proportion of ancillary services provided in physician offices compared to hospital settings is relatively small. For advanced imaging services performed in CY 2012, for example, 67 percent were performed in the hospital outpatient setting while only 28 percent were performed in the physician office setting.[iii]

This suggests, therefore, that self-referral restrictions on these services will not produce significant savings. The data also suggest that policies intended to restrict access to ancillary services in the outpatient setting could backfire, driving care out of the physicians' offices and into the hospital where Medicare and its beneficiaries often pay significantly more for the identical services and threaten community cancer care.

Advanced Imaging by Site of Service (CY 2012 % of allowed charges)



Source: Milliman, Inc., "Outpatient ancillary trends in the Medicare fee-for-service population: 2008-2012," December 2014.

The IOAS is a critical avenue for integrated cancer care in the community setting. Without access to integrated care, a vast majority of the nation's cancer patients who are treated in outpatient settings will be denied comprehensive care services and forced into the more expensive hospital setting. In addition to ensuring patient access, the IOAS saves CMS and the healthcare system valuable funding by offering care in the most cost-effective setting. Fragmentation of care will hurt patients, over-burden hospital systems

CONGRESS: Reject Efforts to Restrict Access to Integrated Cancer Care

[i] BRG Healthcare, "A Detailed Diagnosis Of Integrated Community Oncology," 2015.
[ii] Robinson JC, Kelly Miller K. Total expenditures per patient in hospital-owned and physician-owned physician organizations in California. JAMA 312.16 (2014): 1663-1669
[iii] Milliman, Inc., "Outpatient ancillary trends in the Medicare fee-for-service population: 2008-2012," December 2014.