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The US Oncology Network Joins Community Oncology Alliance in Urging Congressional Leaders to Address Cancer Care Crisis

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Congress passed a 12-month SGR patch to avert a 24 percent cut to Medicare physician reimbursement for another year. [Read below](#)

New Analysis Shows Many 340B Hospitals Provide Minimal Charity Care

The Alliance for Integrity and Reform of 340B released a study last month, which finds a substantial portion of hospitals enrolled in the 340B program provide only a minimal amount of charity care. [Read below](#)

Obamacare Open Enrollment Period Closes

March 31 marked the deadline for Obamacare's first-year enrollment period, which has reportedly enrolled nearly 7 million people for private health plans since October. [Read below](#)

US Oncology Network Joins Community Oncology Alliance in Urging Congressional Leaders to Address Cancer Care Crisis



On March 20, The US Oncology Network joined the Community Oncology Alliance (COA) in sending a [letter](#) to leaders in the U.S. Senate and House of Representatives imploring lawmakers to address the nation's current cancer care crisis. The letter warns that unless Congress acts immediately to remedy flawed Medicare policies, America's cancer care patients will be shifted to higher cost settings that are unable to implement needed payment reforms.

Specifically, the letter sites the following weaknesses in the cancer care delivery system:

- Misguided Medicare policies incentivizing higher cost settings for cancer care
- Sequestration cuts to the underlying cost of cancer drugs
- A broken Medicare physician payment system

The groups further cite the changing landscape of community cancer care from the community setting to hospital outpatient departments (HOPDs), which data shows increases costs to both Medicare and beneficiaries. In recent years, the Centers for Medicare and Medicaid Services (CMS) has put policies in place that actually encourage the delivery of care in more costly HOPDs by decreasing reimbursements to community cancer clinics for administering chemotherapy services, while subsequently increasing payments for identical services in the HOPD setting by nearly 30 percent.

The letter warns that the nation's drug shortage problem is borne from a faulty Medicare payment system and government-mandated drug discounts that have resulted in a shrinking manufacturer base. The shortage in cancer care drugs ultimately puts patients at risk due to delays in care and higher-priced drugs.

Due to these factors, the letter encourages Congressional leaders to act immediately to stabilize the community cancer delivery system, including the passage of legislation to stop the application of the sequester cut to cancer drugs (H.R. 1416), fixing the prompt pay policy that artificially lowers cancer drug payments (H.R. 800/S. 806) and equalizing payments for outpatient cancer care services (H.R. 2869).

To view the press statement, [CLICK HERE](#).

Congress Moves to Avert Medicare Physician Payment Cuts



The U.S. Senate passed a 12-month sustainable growth rate (SGR) patch by a bipartisan 64-35 vote on March 31 to avert a 24 percent cut to Medicare physician reimbursement scheduled to take effect on April 1st. The House passed the same measure on March 27 by a voice vote.

The bill provides for a 0.5 percent increase in payments through December 2014 and a zero percent update ending on March 31, 2015. Other items of note in the legislation:

- Adopts an appropriate use criteria (AUC) policy for advanced diagnostic imaging rather than implementing restrictions to the existing in-office ancillary exceptions; includes a GAO study to consider the inclusion of a radiation therapy AUC policy
- Delays ICD-10 until October of 2015
- Extension of work GPCI floor until April 2015

The US Oncology Network is currently evaluating the legislation's impact to our ICD-10 implementation program and determining how we can best support practices in The Network during this transition. We will share any updates to the implementation timeline and activities as they are available.

In the interim, please contact [Stuart Staggs](#) or [Carolyn Hutt](#) with any questions.

Offsets of note in the legislation:

- Authority for HHS secretary to adjust code pricing to address misvalued codes
- Realigns Medicare sequester for 2024 (4% cut the first 6 months of the year and 0% cut for the last 6 months)
- Delays reduction of hospital DSH payments for one year (2017) and then makes additional reductions through 2024
- Establishes CT equipment radiation dose standards

This latest patch marks the 16th time Congress has passed a short term measure to avoid steep Medicare cuts to physician payments. Strong bipartisan support remains for a permanent solution.

The bill now goes to President Obama's desk for his signature.

For the SGR patch legislation, [CLICK HERE.](#)

For the SGR patch one-pager, [CLICK HERE.](#)

For the SGR section-by-section, [CLICK HERE.](#)

New Analysis Shows Many 340B Hospitals Provide Minimal Charity Care

The Alliance for Integrity and Reform of 340B ([AIR 340B](#)) released “[Unfulfilled Expectations: An analysis of charity care provided by 340B hospitals](#),” last month, which finds a substantial portion of hospitals enrolled in the 340B program provide only a minimal amount of charity care.

Congress created the 340B program in 1992 to support access to prescription drugs for uninsured and indigent patient populations. Hospitals qualify for the 340B program based on their disproportionate share hospital (DSH) percentage, a measure relating to the number of Medicaid and low-income Medicare patients treated in a hospital.

The AIR 340B analysis shows most hospitals that benefit from the program provide less charity care than the national average for all hospitals, and charity care in about a quarter of all 340B hospitals represents one percent or less of total patient costs. Other key findings of the analysis include:

- For 24 percent of 340B hospitals, charity care represents one percent or less of the hospitals’ total patient costs.
- Approximately 22 percent of 340B hospitals provide 80 percent of all charity care delivered by 340B DSH hospitals.
- 45 percent of the 340B hospitals examined in the analysis provided charity care that only represented one to three percent of patient costs.

The analysis findings raise questions about whether the current 340B eligibility criteria specifically used for DSH hospitals are achieving the intent of the law. According to the report, “the current eligibility criteria have allowed many hospitals to qualify even though they may not serve significant numbers of vulnerable and uninsured patients, and may not provide significant amounts of charity care.”

AIR 340B and its members are urging Congress to revise the current eligibility criteria for hospitals participating in the 340B program to ensure the program is benefiting the safety net populations for uninsured and vulnerable patients it was created to help.

The analysis was completed by Avalere Health on behalf of AIR 340B using newly available public data.

Obamacare Open Enrollment Period Closes

March 31 marked the deadline for Obamacare’s first-year enrollment period. Early news reports suggested that HealthCare.gov was on track to reach the Congressional Budget Office’s original projection of enrolling 7 million individuals for private health plans on the exchanges by the deadline.

Despite the deadline, HHS announced last week that anyone who unsuccessfully tries to enroll through HealthCare.gov by March 31 will have more time to finish the process without penalty. Healthcare.gov will go back online April 1 for a “special enrollment” period, which will include people who experienced problems trying to sign up by the March 31 deadline.

It is difficult to determine if the nearly 7 million people signed up on the exchange will receive coverage this year since sign-up statistics do not capture how many individuals go on to pay their premiums. However, HHS Secretary Kathleen Sebelius claimed this week that between 80 and 90 percent of those who have selected a plan under ObamaCare have made a first premium payment according to insurance company estimates. It also remains unclear how many of these nearly 7 million enrollees were previously uninsured.

In addition to the Healthcare.gov enrollees, Avalere Health estimates that 3 million additional Americans now have health coverage as a result of expanded Medicaid benefits.

Following this open enrollment period, uninsured Americans won't have another opportunity to sign up for coverage until the next open enrollment period beginning November 15, for which coverage won't take effect until 2015.