



# The US Oncology Network

## Sequester Imperils Cancer Care Delivery System Already in Crisis

On April 1, 2013, sequestration reduced Medicare spending by 2% percent and disproportionately cut payments for critical cancer drugs, causing many to be reimbursed less than cost. This has caused additional cancer clinics to close, further consolidating the nation's cancer care delivery system and resulting in patient access problems and higher costs for Medicare and seniors.

### **The Community Cancer Care Delivery System is Already Under Stress**

- Despite studies indicating that community-based care lowers costs to patients and Medicare, a series of Medicare cuts to cancer care has destabilized the cancer care delivery system already under stress due to inadequate Medicare payment. Since 2008, more than 1,300 community cancer care centers have closed, consolidated, or reported financial problems, limiting patient access and driving up Medicare costs by forcing patients to costlier care settings.
- When community cancer clinics are forced to close their doors, access to cancer care is compromised for cancer patients, especially vulnerable seniors covered by Medicare.

### **Sequestration Disproportionately Cuts Payment for Critical Cancer Drugs and Will Cause Increased Access Problems and Higher Costs**

- Medicare Part B drugs are hit harder by the sequester cuts than other services.
- The pre-sequestration level of Medicare drug reimbursement rate of ASP + 6% did not adequately pay for the acquisition and related costs (e.g., storage, inventory, waste disposal) of life-sustaining cancer drugs; as a result, many critical cancer drugs were reimbursed below cost.
- ASP + 6% before sequester was really closer to ASP + 4% due to artificial lowering by the inclusion of manufacturer-to-distributor prompt pay discounts.
- Sequester reduced Medicare payment for cancer drugs to approximately ASP + 4.3% and accounting for the prompt pay problem it is actuality closer to ASP + 2%.

### **Sequestration Payment Cuts Will Directly Impact Patient Care**

- More cancer clinics will likely limit their services or close altogether, further restricting access to care and forcing cancer patients to seek care in costlier, more distant settings.
- Further payment reductions for generic injectables risk causing new drug shortages.
- Without access to community cancer care, patients experience higher copayments; longer travel times and increased travel expenses; visits to multiple providers and locations for care and services; and delays seeking treatment even as cancer progresses.

### **Congress Must Act to Mitigate the Impact of Sequestration Cuts to Cancer Care**

Please support ***The Cancer Patient Protection Act of 2015, H.R. 1416***, a bill introduced by Congresswoman Renee Ellmers (R-NC), to stop CMS' application of the sequester cuts to Medicare Part B cancer drugs.