



Thursday, April 7, 2016

Contact Your Member of Congress: Protect Cancer Patients!

Please contact your lawmakers in Congress to urge them to push back on CMS' proposed mandatory Part B Drug Payment Model. **Read below.**

New Milliman Study: Cost Drivers of Cancer Care

On April 5, the Community Oncology Alliance released a new study conducted by Milliman, which identifies trends in cancer care costs from 2004 to 2014 including the shift of cancer care from the community setting to the hospital outpatient department. **Read below.**

Alliance for Site Neutral Payment Reform Urges CMS to Expand Payment Parity Provisions

On March 29, the Alliance for Site Neutral Payment Reform sent a letter to CMS detailing the group's recommendations for rulemaking of Section 603 of the Bipartisan Budget Act of 2015, which establishes a site neutral payment policy for all newly acquired provider based off-campus hospital outpatient departments. **Read below.**

Oncology Care Model Practices May Be Excluded from Part B Drug Payment Model

Reports suggest that CMS may exclude physician practices participating in the Oncology Care Model from the Medicare Part B drug demonstration. **Read below.**

Contact Your Member of Congress: Protect Cancer Patients!



On March 8, the Centers for Medicare & Medicaid Services (CMS) released a proposed rule outlining a five year, two-phase mandatory demonstration project that would modify drug reimbursement based on geographic areas. In Phase 1, Medicare seeks to adjust the ASP + 6% reimbursement to ASP + 2.5% with a flat fee of \$16.80. In the second phase, Medicare would implement value-based purchasing tools, engineered by CMS, in conjunction with the Phase 1 variation of the ASP adjustment.

The proposed rule will have a serious impact on community-based cancer clinics and could further exacerbate the shift of cancer patients moving into the more expensive hospital based setting. This proposal will result in significant differences in the cost and quality of cancer care that Medicare patients receive based solely on their zip code.

Congress must be aware of these potential consequences and take this opportunity to stand up for cancer patients. Contact your lawmakers in Congress and encourage them to relay these concerns to CMS, their respective leadership and the committees of jurisdiction.

The US Oncology Network will comment on the proposed rule before the May 9, 2016 deadline and encourages practices to do so as well. If you are interested in weighing in directly with CMS, [CLICK HERE](#).

[Click Here to Urge Your Member of Congress to Protect Cancer Patients](#)

To view a one-page talking points memo, [CLICK HERE](#).

To view the Community Oncology Alliance toolkit, [CLICK HERE](#)

New Milliman Study: Cost Drivers of Cancer Care



On April 5, the Community Oncology Alliance (COA) released a new study conducted by Milliman, which identifies trends in cancer care costs from 2004 to 2014 including the shift of cancer care from the community setting to the hospital outpatient department.

Milliman reports that 14.5 million Americans with a history of cancer were alive in the U.S. in 2014, but that number is expected to increase to 18 million by 2020. Milliman also reports healthcare spending is on a significant rise. The

estimated 2010 cancer care expenditures were \$124.57 billion, and that is expected to rise to \$158 to \$173 billion by 2020 – an approximate 27 to 39 percent increase.

The study's primary conclusions include:

1. The percent increase in cost from 2004-2014 for actively treated Medicare FFS and commercially insured cancer patients has been similar to the corresponding increase for the non-cancer Medicare FFS and commercially insured populations.
2. The cost of chemotherapy drugs is increasing at a rate significantly higher than other cost components of actively treated cancer patients, driven largely by biologics, but the chemotherapy drug increase has been offset by slower growth in other component costs.
3. The site of service for chemotherapy infusion has dramatically shifted from physician office to hospital outpatient settings, which has contributed to the increase in cancer care costs.

Milliman data show the proportion of chemotherapy infusions delivered in hospital outpatient departments nearly tripled from 2004 to 2014, increasing from 15.8 percent to 45.9 percent in the Medicare population. Among commercially insured patients, the change was staggering, increasing from 5.8 percent to 45.9 percent. Milliman further concluded that the shift in site of service results in dramatically higher costs for patients.

To view the full Milliman report, [CLICK HERE](#).

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

Alliance for Site Neutral Payment Reform Urges CMS to Expand Payment Parity Provisions

On March 29, the Alliance for Site Neutral Payment Reform sent a letter to the Centers for Medicare & Medicaid Services' Acting Administrator Andrew Slavitt detailing the group's recommendations for rulemaking of Section 603 of the Bipartisan Budget Act of 2015 (BBA), which establishes a site neutral payment policy for all newly acquired provider based off-campus hospital outpatient departments. The Alliance strongly urges CMS to fully implement the site neutral payment provision as Congress intended.

The Alliance's letter makes three key recommendations to CMS for Section 603 implementation:

- Congress did not intend for additional grandfathering or exemptions from the site neutral payment policy.

- Congress did not intend for Medicare to continue to pay facility and professional fees for all newly acquired provider based off-campus hospital outpatient departments.
- CMS should utilize data from the off-campus billing modifier to expand site neutral payment policies.

The Alliance calls Section 603 an important first step in equalizing Medicare payments across sites of service and stresses the importance of ensuring implementation of Section 603 achieves the goal of reducing unnecessary healthcare spending and preserving patient access to community-based care.

The Alliance is a coalition of providers, payers and patient advocates formed by the US Oncology Network to address payment parity across sites of service in order to decrease Medicare and commercial spending, lower taxpayer and beneficiary costs and increase patient access.

To view the Alliance's letter to CMS, [CLICK HERE](#).

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

Oncology Care Model Practices May Be Excluded from Part B Drug Payment Model



Reports suggest that the Centers for Medicare & Medicaid Services (CMS) may exclude physician practices participating in the [Oncology Care Model](#) (OCM) from the proposed Part B drug demonstration. Under the OCM, practices will enter into payment arrangements that include financial and performance accountability for episodes of care surrounding chemotherapy administration to cancer patients.

In the proposed rule, CMS notes potential overlap between the Part B Drug Payment Model and the OCM. Medicare will pay drug claims in the OCM using the average sales price methodology that the Part B payment demonstration alters.

The US Oncology Network strongly supports excluding practices participating in the OCM from the Part B Drug Payment Model due to concerns that the overlap of simultaneous reforms may result in unintended consequences. The Network has serious reservations about how CMS will effectively manage these two separate payment models with two distinct and individual goals while effectively measuring the outcomes associated with each unique model to define success for these pilot programs.

The Network collaborated with CMS and CMMI on the creation and development of the OCM, and supports an episode-based payment model aimed at improving coordination, appropriateness of treatment, and access to care for beneficiaries undergoing chemotherapy. In total, 13 US Oncology Network practices with 787 providers across the country have been selected to participate in the inaugural OCM pilot set to launch July 1, 2016.

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