



Thursday, March 6, 2014

In this issue:

Virginia Cancer Specialists Featured in Fox New Special Report

In a special report, *Hospitals being overpaid for medical treatment?*, Fox News Chief National Correspondent Jim Angle examines how Medicare pays hospitals nearly twice as much as community cancer centers for providing the same cancer care. [Read below](#)

Op-Ed Highlights Importance of Rational Payments for Cancer Care

The *Pittsburgh Post Gazette* published an op-ed on February 25 highlighting the value of care provided in the physician office setting in lowering healthcare costs. [Read below](#)

President Obama Releases 2015 Budget Proposal

The Obama Administration released its FY 2015 budget proposal on March 4. Neither the \$3.9 trillion budget nor its recommended policies is expected to advance legislatively this year since Congress passed a two-year budget deal earlier this year. [Read below](#)

CBO Releases Score for SGR Bill

The SGR repeal-and-replace legislation (H.R. 4015, S. 2000) agreed to by three congressional committees last month would increase direct spending by about \$138 billion over a decade, according to a CBO score. [Read below](#)

Quality Data Added to CMS' Physician Compare Website

The Centers for Medicare and Medicaid Services announced the agency is adding quality measures to its Physician Compare website. [Read below](#)

World Health Organization: Cancer Cases on the Rise

The World Health Organization's (WHO) International Agency for Research on Cancer released the World Cancer Report 2014 last month, which predicts that cancer deaths will increase significantly on the next 20 years. [Read below](#)

Virginia Cancer Specialists Featured in Fox New Special Report



In a [special report](#), *Hospitals being overpaid for medical treatment?*, Fox News Chief National Correspondent Jim Angle examines how Medicare pays hospitals nearly twice as much as community cancer centers for providing the same cancer care. The special report highlights that while the federal government is looking for ways to cut healthcare spending, Medicare sometimes favors more expensive care.

[Virginia Cancer Specialists'](#) Dr. Alex Spira notes that hospitals get paid about 40 percent more for the exact same cancer care he provides at a community cancer center.

“Not only do the taxpayers and Medicare pay more when the care occurs in the hospital outpatient department setting, the patient pays more too,” says Matt Brow of The US Oncology Network.

The special report also features Virginia Cancer Specialists' patients Deanne Schaffer, Geraldine Witzig and Jay McNulty, who express the benefits of receiving their cancer care in the community setting, including convenience, maintained quality of life and personal attention.

In order to implement oncology payment neutrality more comprehensively across payment settings, The US Oncology Network supports the inclusion of the Medicare Patient Access to Treatment Act (H.R. 2869), sponsored by Congressman Mike Rogers (R-MI) and Congresswoman Doris Matsui (D-CA), in any Medicare reforms scheduled this Congress.

Please contact your Member of Congress today and ask them to join Representatives Rogers and Matsui in supporting H.R. 2869.

To contact your Representative in support of oncology payment parity [click here](#).

Op-Ed Highlights Importance of Rational Payments for Cancer Care

The *Pittsburgh Post Gazette* published an [op-ed](#) on February 25 highlighting the value of care provided in the physician office setting in lowering healthcare costs. Donald R. Fischer, the chief medical officer for Highmark Blue Cross Blue Shield, describes billing practices in which providers are billing for cancer care as a higher-cost hospital outpatient service, even though the treatment continues to be provided in a physician office. These practices irrationally increase healthcare costs.

Highmark Inc. is the fourth-largest Blue Cross and Blue Shield-affiliated company and operates health insurance plans in Pennsylvania, Delaware and West Virginia that serve 5.2 million members. In a [press release](#), Highmark estimates that this billing change will save more than an estimated \$200 million annually.

“Beginning immediately, Highmark is putting in place policies that will eliminate the financial incentive of these practices and save our members money,” writes Dr. Fischer in his op-ed.

“We intend to continue to move toward aligning incentives so that we will reimburse physicians more for better outcomes and higher patient satisfaction, rather than simply paying for delivering more services or for changing provider billing practices to increase revenue. Progressive-thinking physicians understand this is the right thing to do for the health and well-being of patients and the community at-large,” added Fischer.

President Obama Releases 2015 Budget Proposal



The Obama Administration released its [FY 2015 budget proposal](#) on March 4. Neither the \$3.9 trillion budget nor its recommended policies is expected to advance legislatively this year since Congress passed a two-year budget deal earlier this year.

In its budget, the White House proposes \$77 billion in discretionary spending for the [Department of Health and Human Services](#) for FY 2015 to “help make coverage affordable, drive down long-term health care costs, and improve care for millions of Americans, as well as to train new health care providers, address public health priorities, assist vulnerable populations, and support medical research,” including \$1.8 billion for full implementation of the Affordable Care Act (ACA) in 2015.

The President’s budget proposes \$422 billion in cuts to Medicare over the next decade, however the cuts are heavily weighted toward future years, with only \$3.5 billion occurring in 2015. These cuts are primarily drawn from Medicare payments to providers, higher fees to wealthier seniors and the expansion of the

Affordable Care Act's Independent Payment Advisory Board (IPAB). Many of the policies included in the President's plan mirror policies seen in previous proposals.

Medicare providers – primarily post-acute care providers and drug makers – would be subject to \$354 billion in Medicare cuts under the President's proposed plan. Proposed policies of greatest concern to The US Oncology Network in the President's budget include:

- **Exclude Certain Services from the In-Office Ancillary Services Exception:** Effective calendar year 2016, the President proposes to encourage more appropriate use of ancillary services by amending the in-office ancillary services exception to prohibit certain referrals for radiation therapy, therapy services, advanced imaging, and anatomic pathology services except in cases where a practice meets certain accountability standards, as defined by the Secretary. The estimated savings is \$6 billion over 10 years.
- **Reduce Average Sales Price for Part B Drugs:** The President proposes reducing reimbursements for Part B drugs from 106 percent of average sales price to 103 percent. The estimated savings is \$6.8 billion over 10 years.
- **Allow Prior Authorization for Medicare Fee-for-Service Items:** The President proposes to extend the authority to require prior authorization to all Medicare fee-for-service items. The proposal would require the Secretary to implement prior authorization in two new service areas including advanced imaging. The estimated savings is \$90 million over 10 years.

In response to the budget proposal, the Access to Medical Imaging Coalition (AMIC) – of which The US Oncology Network is a member – released a statement stating, “President Obama’s budget threatens patient access to care and important imaging services through burdensome prior authorization requirements. As an alternative to inserting an artificial middle-man between physicians and their patients via prior authorization schemes, the Administration should follow the lead taken by Congress in crafting a SGR policy which includes the adoption of physician-developed appropriate use criteria.”

While the President's budget proposal is not expected to make any traction in Congress, it could provide a framework for the midterm election's fiscal debate.

To view the HHS Budget in Brief, [click here](#).

CBO Releases Score for SGR Bill

The SGR repeal-and-replace legislation - [SGR Repeal and Medicare Provider Payment Modernization Act of 2014](#) (H.R. 4015, S. 2000) – would increase direct Medicare spending by \$138 billion from 2014-2024, according to a [CBO score](#) released on February 27. CBO's estimate is relative to the February 2014 baseline spending projections under current law.

In its estimate, CBO states that increased Medicare spending would result from specified updates to rates for services paid for under the physician fee schedule. The CBO estimate does not include the score for other Medicare extenders, which lobbyists say could add \$30 billion to the cost.

The legislation is the result of negotiations among the Senate Finance, House Ways and Means and House Energy and Commerce committees, which each passed their own versions last year. While there is bicameral agreement on the permanent doc fix, how the \$138 billion bill will be funded is undetermined.

In a letter to Senate and House leaders, members of the House Doctor Caucus recently wrote, "Move as expeditiously as possible to negotiate acceptable offsets that we can support. With physicians and patients facing a March 31 deadline before the current patch expires, we must act now to repeal a flawed policy that threatens patients' access to care."

If unresolved, Medicare's payment rates for physicians' services are slated to drop by about 24 percent on April 1.

Quality Data Added to CMS' Physician Compare Website

On February 21, the Centers for Medicare and Medicaid Services [announced](#) the agency is adding quality measures to Physician Compare, a website that helps consumers search for information about hundreds of thousands of physicians and other healthcare professionals.

The quality measures added to the site include:

- Controlling blood sugar levels in patients with diabetes.
- Controlling blood pressure in patients with diabetes.
- Prescribing aspirin to patients with diabetes and heart disease.
- Patients with diabetes who do not use tobacco.
- Prescribing medicine to improve the pumping action of the heart in patients who have both heart disease and certain other conditions.

Sixty-six group practices and 141 Accountable Care Organizations (ACO) now have quality data publicly reported on [Physician Compare](#). The provider ratings

are displayed using stars, which are a graphical representation of performance on a measure. The actual percentage score is also listed on the site.

Physician Compare allows consumers to find and choose physicians and healthcare professionals enrolled in the Medicare program under the Affordable Care Act. The purpose of Physician Compare is to help consumers make informed choices about the healthcare they receive through the Medicare program.

World Health Organization: Cancer Cases on the Rise

The World Health Organization's (WHO) International Agency for Research on Cancer released the World Cancer Report 2014 last month, which predicts that cancer deaths will increase significantly in the next 20 years.

Key facts from the report include:

- New cases of cancer reached 14.4 million in 2012, which led to 8.2 million cancer related deaths.
- Cancer cases will climb to 22 million and cancer deaths to 13 million annually within 20 years.
- The global cost of cancer care totaled \$1.16 trillion in 2010.
- One in five men and one in six women will develop cancer before the age of 75.

The most common cancer diagnoses globally are cancers of the lung, breast and large bowel. The most common causes of cancer-related death are cancers of the lung, liver and stomach.