Level the Outpatient Oncology Playing Field & Lower Medicare Cancer Care Costs

Outpatient Cancer Care Delivery is Shifting to the Hospital Setting

- Community-based cancer care clinics provide patients with convenient, comprehensive, state-of-the-art cancer treatment close to home
- Until recently, over 80% of US cancer patients received preferred treatment in the community clinic setting
- Over the past several years, the country has experienced a significant shift of outpatient cancer care delivery from the community clinic to the hospital outpatient department
- Over the past five years 288 oncology office locations have closed & 469 oncology groups have migrated to the hospital
- A Moran Co. (Moran) study finds that there was a 150% increase in administered chemotherapy in the hospital outpatient setting for Medicare beneficiaries
- The June MedPAC report highlighted the large disparities in payment in outpatient settings and noted that the payment variations across settings should be addressed quickly due to the fact that current disparities have created incentives for hospitals to buy physician practices, driving up costs for the Medicare program and for beneficiaries
- A recent Moran study that shows that HOPD chemotherapy administration spending was up to 47% higher than in the physician setting per beneficiary between 2009 and 2011

Cancer Care Costs Less Overall When Managed in the Community Clinic

- A Milliman study finds that the cost of treating cancer patients is significantly lower for both Medicare patients and the Medicare program when performed in community clinics as compared to the same treatment in the hospital setting. The data indicate:
  - Medicare pays less – total Medicare spending on chemotherapy patients receiving treatment in the clinic is 14.2% lower, amounting to $6,500 in savings per cancer patient annually or $623 million per year.
  - Cancer patients pay less – patient co-pay amounts were found to be approximately 10% lower in the clinic, amounting to more than $650 in savings each Medicare beneficiary fighting cancer per year.

Members of Congress: Support the Medicare Patient Access to Cancer Treatment Act (HR 2869)

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Medicare Policy Exacerbates the Shift by Paying Differently for the Same Treatments Depending on Site of Service

- The cost to Medicare for treatment at the hospital outpatient department is significantly higher than at the community cancer clinic:
  - 62% higher for the most common drug administration code
  - 55% higher for infusion services overall
  - 25% higher for radiation therapy services
- 1/3 of US hospitals purchase chemotherapy drugs through the 340B program at discounts up to 50% while community clinics are not afforded these discounts
- Medicare reimburses 70% of hospital bad debt (uncollectable beneficiary coinsurance) while community clinics are not reimbursed at all

The US Oncology Network supports leveling the outpatient oncology reimbursement playing field with payment parity across sites of service

- The US Oncology Network applauds Representatives Mike Rogers (R-MI) and Doris Matsui (D-CA) for introducing H.R. 2869, the Medicare Patient Access to Cancer Treatment Act
  - This legislation creates a level playing field in Medicare payments for outpatient cancer care services
  - It is an important step to maintain patient access to high-quality, cost-effective care in the community cancer clinics that provide the majority of cancer care in this country
- Equalizing payments for the same service regardless of setting will help stem the tide of hospitals acquiring community oncologists, allowing patients to receive care at their community cancer clinic
- Payment parity will keep the costs of fighting cancer down for seniors, Medicare and taxpayers

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