



A PATIENT-CENTERED FORUM OF NATIONAL ADVOCACY ORGANIZATIONS ADDRESSING PUBLIC POLICY ISSUES IN CANCER

October 19, 2000

The Honorable William Jefferson Clinton
President of the United States
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Mr. President:

Over the past several years, the cancer community has been engaged in extensive dialogue with the Administration and the Congress about appropriate levels of payment for anti-cancer drugs, both in physician offices and in hospital outpatient departments. We believe we have made a convincing case—largely accepted by both the Administration and the Congress—that radical cuts in Medicare payment for these drugs cannot be undertaken without seriously compromising the quality of cancer care. Indeed, a proposal to reduce drug payments by essentially redefining the benchmark reimbursement concept of average wholesale price (AWP) was withdrawn by the Health Care Financing Administration (HCFA), and Congress is in the process of defining an evidence-based pathway toward reform of drug payments, particularly in physician offices.

Given these encouraging developments, we were quite surprised and distressed to learn that HCFA has embarked on yet another assault on payment for life-extending anti-cancer drugs, this time in the hospital outpatient department. HCFA officials have notified various organizations in the cancer community and beyond that they plan to reduce payment for anti-cancer drugs in the hospital outpatient setting, based on a statutory adjustment provision in the 1999 Balanced Budget Refinement Act. We strongly oppose this HCFA initiative for the following reasons:

- If, as HCFA plans, payment for anti-cancer drugs is reduced 50%, there will be overwhelming financial pressure for hospitals to cease providing outpatient cancer chemotherapy. Although this result would be devastating to cancer patients across the country, we believe it might particularly affect low-income and minority patients in inner cities, who are more likely to access cancer care through hospitals rather than private physician offices. As with earlier proposed cuts, we would make the point that, once this vital infrastructure is destroyed, it will be very difficult to reconstruct.
- This action by HCFA is not mandated by statute but is instead within the discretion of HCFA and the Department of Health and Human Services (HHS). Indeed, in the final rule implementing the 1999 legislation, HCFA indicated it would not make adjustments of the

sort it now is pursuing. We believe we deserve an explanation as to why the Administration would exercise its discretion in a manner that cannot help but undercut quality cancer care.

- In light of the position taken by HCFA in the final rule, it is difficult to see how HCFA could undertake an adjustment of this magnitude without once again going through a notice-and-comment rulemaking process. Absent such a process, the HCFA initiative would violate the Administrative Procedure Act.

Mr. President, we know you care about people with cancer and are certain that you would not want your Administration to do anything to compromise the quality of cancer care in this country. Nevertheless, a series of HCFA initiatives, including this most recent one, has caused many to question the compatibility of HCFA policies with quality cancer care. We urge your involvement in this issue to encourage HCFA and HHS to exercise their discretion in a way that supports the legitimate needs of cancer patients.

Sincerely,

Cancer Leadership Council

American Cancer Society
American Society of Clinical Oncology
Association of American Cancer Institutes
Cancer Care, Inc.
Cancer Research Foundation of America
Colorectal Cancer Network
Cure For Lymphoma Foundation
International Myeloma Foundation
Kidney Cancer Association
Multiple Myeloma Research Foundation
National Coalition for Cancer Survivorship
National Patient Advocate Foundation
National Prostate Cancer Coalition
North American Brain Tumor Coalition
Oncology Nursing Society
Ovarian Cancer National Alliance
The Susan G. Komen Breast Cancer Foundation
US-TOO International, Inc.
Y-ME National Breast Cancer Organization

cc:

The Honorable Albert Gore, Jr., Vice President
The Honorable Donna Shalala, Secretary, Department of Health & Human Services
Michael Hash, Acting Administrator, Health Care Financing Administration