



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

December 6, 2001

Dear Senator/Representative:

The undersigned members of the Cancer Leadership Council support continued access to quality care for people with cancer and thus view with great concern reimbursement proposals being developed by the Energy & Commerce Committee. According to published reports, the Committee has developed a plan that could precipitately remove hundreds of millions of dollars or more from current Medicare payments for care provided in physician offices, currently the site of approximately 70% of cancer chemotherapy provided in this country.

The plan, details of which have not been made public, is based on information about Medicare reimbursement for cancer drugs developed at a September 21 hearing. As one representative of oncology providers testified, it is acknowledged that Medicare overpays for cancer drugs but also widely recognized that Medicare pays less than the actual cost of administering those drugs. If Congress is to address the problem of drug overpayments, it must simultaneously resolve the corresponding underpayment for practice expense.

Recognizing the necessity of such a coordinated approach to reform, the Committee proposes a very specific methodology designed to reduce drug payments, but leaves to Medicare officials the task of reforming practice expense payments. At the September hearing, it was anticipated that drug payments might be reduced by around \$850 million, with most of the reduction applied to cancer drugs, and subsequent reports have increased the targeted savings from drug payments to \$1.9 billion. Such reports have also suggested that as little as \$51 million could be used to enhance practice payments in oncology. Thus, the proposal apparently contemplates taking a net amount of hundreds of millions of dollars -- and perhaps as much as a billion -- out of the current reimbursement system.

This tremendous and unprecedented reduction will primarily affect the delivery of cancer care in the physician office setting. Over the course of the past decade, cancer patients have come to rely on the convenience and relative comfort of cancer treatment in their own communities. It is quite likely that many oncologists currently providing these services will cease doing so because they will be operating at a loss. Moreover, young physicians faced with making career decisions will certainly not want to become cancer specialists because of their inability to adequately pay for establishing and financing a practice. This will have an undeniable negative impact on patients' ability to access quality cancer care treatment and services in the communities where they live.

It is well known that hospital outpatient departments lack the capacity to provide chemotherapy in a timely and efficient manner to substantial numbers of additional cancer patients. If this plan goes forward, with its anticipated implementation date of January 1, 2003, we could very quickly see waiting lists for life-saving cancer treatments of the sort that we have never before faced in the United States.

The answer to this dilemma is the same as that put forward by the Ways & Means Committee in the last Congress -- i.e., a comprehensive study of the costs of providing chemotherapy in the office setting and the potential consequences of precipitate reductions in payment. The General Accounting Office (GAO) was instructed to conduct such a study, but essentially failed to do so, opting instead to reaffirm the methodology historically utilized by Medicare. It is now more clear than ever that such a study is required, and we strongly support asking the Institute of Medicine to undertake this assignment to ensure that it will be done credibly, competently and without bias or preconception.

Cancer strikes one in every two men and one in every three women on a life-time basis. Because cancer is so much a disease of the elderly, Medicare reimbursement for cancer care is critical to the overall well-being of the national cancer program, which has been the envy of the rest of the world. Congress should strongly resist efforts to achieve quick savings through risky and excessive reimbursement reductions without the adequate and thorough study that such momentous changes require.

Sincerely,

Cancer Leadership Council

Alliance for Lung Cancer Advocacy, Support, and Education	Multiple Myeloma Research Foundation
American Cancer Society	National Coalition for Cancer Survivorship
Cancer Care, Inc.	National Patient Advocate Foundation
The Children's Cause, Inc.	National Prostate Cancer Coalition
Coalition of National Cancer Cooperative Groups	North American Brain Tumor Coalition
Colorectal Cancer Network	Ovarian Cancer National Alliance
The Foundation for the Children's Oncology Group	Pancreatic Cancer Action Network
International Myeloma Foundation	The Susan G. Komen Breast Cancer Foundation
Kidney Cancer Association	US TOO! International, Inc.
The Leukemia & Lymphoma Society	The Wellness Community
Lymphoma Research Foundation	Y-ME National Breast Cancer Organization

cc: Energy & Commerce Committee
Ways & Means Committee
Senate Finance Committee

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