



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

July 14, 2003

Dear Member of Congress:

The undersigned groups write to express their grave concern over certain elements of the Medicare reform legislation (S. 1, H.R. 1) now proceeding to Conference. While prescription drug coverage is unquestionably a worthy goal, these bills also contain so-called “provider givebacks” that are funded by catastrophic cuts in cancer care. These excessive reductions must be modified or even abandoned until a more balanced and reasonable approach can be identified.

The following facts should give great pause to any Member of Congress asked to vote on the overall reform package:

- Both Senate and House versions of the legislation would reduce payments for cancer care in a net amount of over \$500 million, or an estimated 30% reduction in current levels of Medicare payment for cancer care in physician offices.
- Although underpayments for practice expense have been recognized as a problem for almost as long as overpayments for drugs, neither bill addresses practice expense with a legislative solution, but instead leaves resolution to the discretion of Centers for Medicare & Medicaid Services Administrator Thomas Scully, who has already indicated his refusal to redress the shortfall in a satisfactory manner.
- The Senate version continues to rely on the discredited “average wholesale price,” or AWP, methodology, while the House version does not utilize AWP but gives oncologists equally unacceptable choices.
- Under the House bill, oncologists must choose between reimbursement at 100% of average selling price, or ASP (after a two-year transition during which payments would be 112% of ASP), or receipt of drugs from a pharmacy supplier after competitive bidding. Payments equal to ASP would be inadequate to cover the cost of acquiring drugs for many physicians, and the competitive bidding drug supply system takes the maintenance of a safe and appropriate supply of chemotherapy drugs out of the hands of physicians. Cancer patients will be at risk if the integrity of the drug supply is not ensured by physician control.
- About 60% of all new cancers diagnosed in any given year occur among Medicare beneficiaries. Community oncologists provide the majority of care to Medicare patients diagnosed with cancer. These oncologists are actively considering options to deal with the anticipated cutbacks, including staff reductions among trained oncology nurses and social workers, closing of satellite offices in outlying areas, and reconsideration of their treatment of Medicare patients.

Member of Congress
July 14, 2003
Page 2

- This Medicare reimbursement issue will have an immediate effect on millions of cancer patients, as they suffer inconvenience, delays, and other barriers to care. For patients in rural areas, there may be a loss of access to care in the community.
- Cancer survivors are also concerned about the long-term impact of these payment changes on cancer research and the development of new treatments, as community oncologists will find it economically impossible to participate in clinical research.
- 56 nationally recognized cancer centers have written the President to warn that unsustainable cuts in payment for cancer care will disrupt the country's comprehensive network of clinical cancer trials by reducing the resources available to the community physicians who are the backbone of the clinical trials infrastructure.

Our Nation's cancer care is the envy of the world, but it cannot survive intact with such excessive overall reductions. We urge you, all the Conferees and the President to reconsider this course of action and to work with the cancer community to achieve a balanced reform that addresses both overpayments for drugs and corresponding underpayment for services.

Sincerely,

Cancer Leadership Council

American Cancer Society
Association of American Cancer Institutes
Cancer Care, Inc.
Cancer Research and Prevention Foundation
Coalition of National Cancer Cooperative Groups
Colorectal Cancer Network
International Myeloma Foundation
The Leukemia & Lymphoma Society
Lymphoma Research Foundation
Multiple Myeloma Research Foundation

National Coalition for Cancer Survivorship
National Patient Advocate Foundation
National Prostate Cancer Coalition
North American Brain Tumor Coalition
Ovarian Cancer National Alliance
Pancreatic Cancer Action Network
The Susan G. Komen Breast Cancer Foundation
Us Too! International – Prostate Cancer Education
and Support
The Wellness Community
Y-ME National Breast Cancer Organization