

HOUSE BILL INTRODUCED TO CORRECT MEDICARE DRUG REIMBURSEMENT

- *Members of Congress Seek to Reverse Cancer Care Payment Shortfalls -*
- *Community Oncology Alliance Encourages Speedy Passage of Bill -*

WASHINGTON, D.C. (March 3, 2011) – U.S. Representatives Ed Whitfield (R-KY) and Gene Green (D-TX) today introduced H.R. 905.

The bipartisan bill, which has 15 co-sponsors, proposes to amend title XVIII of the Social Security Act to ensure more appropriate payment for drugs and biologicals under Part B of the Medicare Program by excluding customary prompt pay discounts extended to wholesalers from the manufacturer's Average Sales Price (ASP).

Currently, the ASP methodology used to calculate Medicare Part B reimbursement artificially reduces payment for cancer drugs to community oncology practices. This often results in a purchase cost that exceeds the reimbursement, forcing practices to pay out of pocket for treating cancer patients with chemotherapy.

"Patient access to treatment at community oncology clinics and to life-saving medications is dependent on fair pricing to the oncologists who purchase those chemotherapy drugs on behalf of their patients," said U.S. Rep. Ed Whitfield.

The bill provides a much needed reimbursement solution. Excluding distributor prompt pay discounts from the ASP methodology is consistent with existing policy and will create greater uniformity among federal healthcare programs, as these terms already are excluded from the Medicaid Average Manufacturer Price (AMP) methodology.

"The Community Oncology Alliance strongly endorses this bipartisan House effort to support cancer care. The cancer community is looking for solid, bipartisan efforts from Congress to remedy a long-standing inequity that is threatening the survival of community oncology practices," said Ted Okon, executive director of the Community Oncology Alliance (COA).

The U.S. has the best cancer care delivery system in the world, in which 84 percent of Americans receive quality, compassionate care in community cancer clinics. However, the cancer care delivery system is suffering because of substantial Medicare cuts to payment for cancer drugs and essential services. The crisis will deepen as demand for cancer care is now

starting to exceed the supply of oncologists. It is predicted that over the next 10 years there will be an oncologist shortage for one in every four cancer patients.

“This is a national problem that is affecting access to cancer care treatment,” said U.S. Rep. Gene Green. “We must address the prompt pay issue to preserve the practices providing care in cancer patients’ own communities. Advances in treating cancer are meaningless if patients cannot access the care and oncologists cannot provide the care.”

“On behalf of community oncology clinics, we thank Congressmen Whitfield and Green, and their cosponsoring colleagues for their leadership,” said David Eagle, M.D., president of COA and partner in Lake Norman Oncology, Mooresville, North Carolina. “This bill is a welcome and necessary step in supporting community cancer clinics, which need quick and fair reimbursement for millions of dollars per month in chemotherapy drug outlays.”

About Community Oncology Alliance (COA)

Formed in 2003 in response to the Medicare Modernization Act, COA is a non-profit organization dedicated solely to community oncology. COA was founded by community oncologists to advocate for patients and providers in the community oncology setting, where four out of five Americans with cancer are treated.

Currently, COA is working with the Congress in providing proactive solutions designed to protect the viability of the nation’s cancer care delivery system and patients' access to quality, affordable cancer care. The cancer death rate in the U.S. has declined due to earlier detection, the quality of treatment, and the accessibility of cancer care. However, according to the American Cancer Society, men still have an approximately one in two lifetime risk of developing cancer, with a risk of one in three for women. For more information, please visit www.communityoncology.org.

###