



CONCERNS ABOUT CHANGES IN CANCER CARE PAYMENTS BY MEDICARE

2005 Cancer Care Payments

- Medicare has released its proposed 2005 payment schedule for physician services and drugs. Its provisions will reduce cancer care resources by more than \$500 million in 2005. These cuts will place access to cancer care at risk.
 - Payments for administration of chemotherapy to patients will decline by about 21 percent, or about \$150 million.
 - Chemotherapy administration includes: services of highly trained oncology nurses; on-site mixing of chemotherapy agents by pharmacists; psychosocial services; nutritional counseling; and supportive care by social workers—all of which are necessary for quality cancer care.
 - Medicare payment for chemotherapy drugs also will experience sharp declines.

Estimating the Impact of Proposed Drug Payments

- Because Medicare has provided only partial information about payment for chemotherapy drugs, oncologists are finding it difficult to project accurately the effects of reimbursement changes on their practices. Based on the partial information that has been published, it appears that Medicare reimbursement for some drugs will be less than the prices that some oncology practices pay to purchase them.
- Medicare has suggested that establishing new billing codes will address under-reimbursed services. However, Medicare is waiting for recommendations from an on-going American Medical Association (AMA) review process before making any coding decisions.

ASCO Proposal for Fair Cancer Care Payment in 2005

- ASCO supports reform of a payment system that has overpaid for drugs and underpaid for patient support services.
- The best way Congress can ensure patients continue to receive quality cancer care is to:
 - Maintain 2004 net Medicare reimbursement levels for cancer treatment during 2005-2006, while three government-mandated studies on the effect of the Medicare Modernization Act (MMA) on cancer care are completed.
 - Act to ensure that the Medicare payment amounts for particular drugs are sufficient to cover the costs of purchasing the drugs.
- The Centers for Medicare and Medicaid Services (CMS) can help by:
 - Releasing projected 2005 payment amounts for all drugs to permit a complete analysis of the effects of this proposal.
 - Establishing new billing codes and related payment amounts to cover the costs of all of the services furnished in cancer care.