

COMMUNITY ONCOLOGY ALLIANCE (COA)

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MORE AMERICANS SURVIVING CANCER BUT PAYING FOR IT FACES MAJOR CHALLENGES

WASHINGTON - Cancer survival rates have increased significantly, with a corresponding decrease in the death rate over the past 30 years, according to the *Annual Report to the Nation on the Status of Cancer*. During this time period there has been a major shift where cancer is treated to community-based, private cancer practices, where now more than 80% of Americans battling cancer are treated. Patients are treated close to home, with less cost and disruption, which, coupled with earlier detection and better therapies has helped produce dramatic results on the war on cancer.

Now, according to scheduled changes just released by the Centers for Medicare and Medicaid Services (CMS), the estimated payment for cancer care would be reduced by more than \$500 million in 2005. This is a result of changes made to the existing payment system whereby there was an overpayment for cancer drugs and an underpayment for all the essential cancer care services.

The new system is a conceptual system that has never been implemented by CMS or any private insurer. Payment for cancer drugs would be based on Average Selling Price (ASP), which is reported by pharmaceutical manufacturers. Although seemingly sound on paper, the ASP system has flaws such as ASP is not a price paid by cancer clinics that provide care, but is a price only available to large intermediaries that purchase and resell cancer drugs to clinics. There is also a lag time between reporting of ASP numbers and CMS turning them into reimbursement rates for cancer drugs. These and other problems contribute to the fact that most cancer clinics will be paid less than their actual costs, according to CMS preliminary estimates.

“At a time when accessible, innovative cancer care and new therapies are dramatically increasing the number of cancer survivors, we are rushing to implement an untested payment system that could seriously hurt cancer care in this country,” says **Mr. Ted Okon, Co-Executive Director of the Community Oncology Alliance (COA)**. “We are making steps in the right direction towards Medicare reform with a new payment system but we’re moving too fast without accurate data.”

Contributing to the Medicare reimbursement cut is that payment for cancer drug administration, nursing care, and other services is scheduled to decrease by 22% next year. This is unrealistic in a time when medical care in general is increasing by 4% a year as measured by the CPI medical index.

Many Members of Congress and CMS realize the problems facing cancer care in 2005 and have been working with the cancer community on solutions. COA has been providing lawmakers and administrators with market data drawn from community cancer clinics around the country, inviting them to their facilities to sit in an actual chemotherapy chair and to learn more about the realities of delivering modern-day complexities cancer care.

“Fortunately, the level of awareness among Members of Congress about the realities of treating cancer has increased dramatically,” says Mr. Okon. “We simply need to come up with a workable solution to preserve access to quality, affordable cancer care for all Americans.”

For more information or to schedule an interview with a member of COA, please call Diana Banister at (703)739-5920.

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