

# Congress of the United States

Washington, DC 20515

April 13, 2005

Dear Colleague,

The Medicare Modernization Act eliminated the overpayment to cancer care professionals for drugs covered under Medicare Part B, however these lowered reimbursement rates went too far. Using the Government Accountability Office report, the cancer community updated the findings with actual, current Medicare reimbursement rates and found that the average costs for cancer drugs now exceeds Medicare payments.

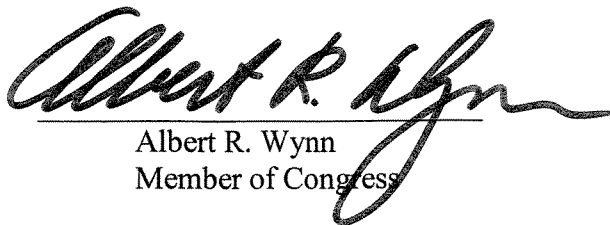
The change to a market-based drug reimbursement system temporarily increased funding for underpaid cancer care services in 2004, but Medicare reimbursement for these services decreased in 2005. Also, there are certain cancer care services not adequately reimbursed under the new Medicare payment system.

Additionally, in light of these changes, private insurers will be reforming their own cancer reimbursement rates starting in July to more closely reflect the Medicare system. Essentially, leaving cancer care providers with a double loss – from both the public and private insurance companies.

To augment the lost Medicare funding, the Centers for Medicare and Medicaid Services (CMS) created a \$300 million symptom assessment demonstration project for 2005. Therefore, a physician may file a Medicare reimbursement claim for physician services if he or she documents that the patient was asked and treated for pain, nausea, and/or fatigue related to cancer treatment. However, this one-year demonstration project will end in 2005 and Medicare funding for cancer care will lose \$300 million.

Please join us in signing the attached letter to President Bush asking that CMS extend the symptom assessment demonstration project through 2006. This will allow CMS and the cancer community to work together to find a suitable, long-term solution for Medicare payment for cancer care drugs and services. To sign the letter or for more information, please contact Lori Pepper in Congressman Wynn's office (5-8699) or Alex Richard in Congressman Wamp's office (5-3271).

Sincerely,

  
Albert R. Wynn  
Member of Congress

  
Zach Wamp  
Member of Congress

# Congress of the United States

Washington, DC 20515

April 12, 2005

The Honorable George W. Bush  
President of the United States of America  
The White House  
1600 Pennsylvania Ave NW  
Washington, DC 20500-0003

Dear Mr. President:

As you know, the Medicare Prescription Drug, Improvement, and Modernization Act (MMA) reformed reimbursement for cancer care by eliminating the overpayment for drugs covered under Medicare Part B. Medicare is now paying for cancer drugs based on Average Selling Price (ASP), a system based on market prices. Additionally, under the authority of the MMA, the Centers for Medicare and Medicaid Services (CMS) increased payments for chemotherapy administration services. Furthermore, CMS launched a \$300 million demonstration project for 2005 that pays community cancer clinics for assessing important cancer-related symptoms.

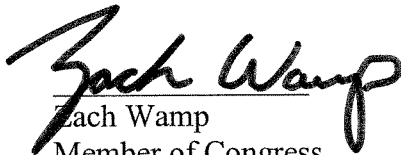
All of these changes are a step in the right direction towards Medicare payment reform for cancer care. However, input from community cancer clinics, which treat over 80% of Americans battling cancer, reveals that there remain important changes that need to be made to Medicare payments for cancer care. For example, the Medicare ASP-based drug payment system, while a better indicator of market prices, now pays for certain important cancer drugs at a price less than the cost for most cancer clinics. This is especially noticeable in the case of a vital breast cancer drug like Herceptin, where the cost was increased 4.4% in February 2005 but because of the lag in reporting drug payment rates, will be incorporated into Medicare drug reimbursement rates effective October 2005. Until this time, community cancer clinics are subsidizing Medicare for this drug price increase.

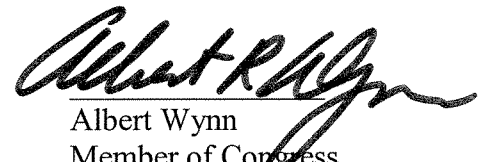
The MMA increased the Medicare payment rates for drug administration services provided by community cancer clinics, in part by creating a transitional fee increase for 2004, which decreased substantially in 2005 and is eliminated in 2006. In light of this, oncologists are arguing for payment of specific medical services that are not explicitly paid for under the new system but were implicitly paid under the old system as part of the drug overpayment. For example, they are making a case for the payment of cancer patient treatment planning, a medical service paid by Medicare for radiation oncology but, interestingly enough, not medical oncology. Additionally, cancer clinics argue for specific payment of their pharmacy costs of storage, inventory, waste disposal, and adherence to increasing regulations for staff and patient safety.

The Inspector General (HHS), MedPAC, and CMS are all required to complete certain studies by January 2006 on aspects of Medicare cancer care payments. However, this does not address the immediate problem of insufficient Medicare payments, especially considering that oncologists report that private insurers are announcing cancer care payment reductions modeled after Medicare, but that are more severe in cases.

We call upon your leadership to address this important situation. We ask that CMS work with the cancer community in correcting these problems, especially by extending the \$300 million demonstration project through 2006, at least until additional data and analysis are available. Given that cancer has now surpassed cardiovascular disease as the leading cause of death, we need to make sure that the cancer care delivery system in this country is strengthened for years to come. Our shared goal should be to work together to ensure that all Americans have access to high-quality, affordable, and accessible cancer care.

Warmest regards,

  
Zach Wamp  
Member of Congress

  
Albert Wynn  
Member of Congress