

Congress of the United States
Washington, DC 20515

June 20, 2013

Speaker Boehner and Leader Pelosi:

We write to express our concern about the discussion of potential cuts to Medicare Part B reimbursement for physicians helping patients fight cancer and other serious illnesses with drugs and biologics. In fact, the two percent across-the-board sequester has already reduced physician reimbursement beginning in April. We believe that additional cuts will only further complicate patients' access to community-based cancer care and force them to seek care in settings that are costlier both to patients and to the Medicare program. These consequences will be evident regardless of whether the cuts come from sequester(s) or deficit reduction schemes.

As you know, in the Medicare Modernization Act of 2003, Congress reformed the reimbursement structure for Part B drugs and biologics, moving to a market-based average sales price (ASP) methodology based on the actual prices paid by physicians and other drug purchasers. This reform dramatically reduced Medicare reimbursements for these life-saving therapies and also significantly lowered the spending growth rate in this area. In fact, the Congressional Budget Office estimated that Medicare would save almost \$16 billion over 10 years by reducing payments for Part B drugs using the current ASP system compared to the former reimbursement system. The Medicare Payment Advisory Commission (MedPAC) that advises Congress on Medicare matters stated that the ASP methodology has resulted in "substantial price savings for Medicare on nearly all drugs, and those payment rate changes drove decreased spending."

The United States has the best cancer care delivery system in the world. More than eighty percent of Americans receive quality care in the community cancer setting, but patient access to this system has become uncertain. It is imperative that Congress protect cancer patients' access to these life-saving medical treatments at a comparatively affordable rate.

Over the past several years, financial pressures have resulted in the closure of hundreds of cancer clinics, and hundreds more report that they are struggling to stay open. These closures have produced patient access issues, clinical staff reductions and higher Medicare program costs because cancer patients must seek care in costlier settings. Adding to these existing access issues, cancer incidence is expected to continue to grow as the population ages, and it is predicted that there will be an oncologist shortage for one in four cancer patients over the next ten years.

It is also significant to note that Medicare Part B drug spending has grown at a comparatively slower rate compared to other areas of healthcare. In its June 2012 report, MedPAC found that the growth in Medicare's spending on Part B drugs administered in physicians' offices and furnished by suppliers has been modest, averaging 2.7 percent per year between 2005 and 2009.^[1] By comparison, the growth in national healthcare expenditures during the same period averaged 5.6 percent per year.^[2]

Enacting additional cancer-related Medicare Part B reimbursement cuts will only exacerbate these problems. Such cuts will cause a significant disruption in access to care without achieving real cost savings. It is for this reason that we urge you not to jeopardize patients' access to cancer care while seeking deficit reduction solutions. Let's work together to fight cancer, not cancer care.

Sincerely,

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[1] MedPAC, A data book: Health Care Spending and the Medicare Program, June 2012.

[2] U.S. Census Bureau, Statistical Abstract of the United States: 2012, Health & Nutrition, p. 102.

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[1] MedPAC, A data book: Health Care Spending and the Medicare Program, June 2012.

[2] U.S. Census Bureau, Statistical Abstract of the United States: 2012, Health & Nutrition, p. 102.

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[1] MedPAC, A data book: Health Care Spending and the Medicare Program, June 2012.

[2] U.S. Census Bureau, Statistical Abstract of the United States: 2012, Health & Nutrition, p. 102.