ACTION

CMS Sends Director

to ACCC's 10th Annual Oncology Presidents' Retreat

Forty leaders from national and state oncology organizations and patient advocacy groups met at ACCC's 10th Annual Oncology Presidents' Retreat, Feb. 1-2, 2002, in McLean, Va. They were advised by policy makers about the status of Medicare reimbursement for cancer drugs under the ambulatory payment classification (APC) system and legislation affecting reimbursement for oral anticancer drugs.

The Bush Administration wants to open up the Centers for Medicare and Medicaid Services (CMS) "to be more responsive to the public," said Thomas L. Grissom, CMS director of the Center for Medicare Management. At the same time, he noted that the agency is facing difficulties meeting the timeframes for reimbursement systems and schedule updates mandated by Congress.

"A major problem in CMS and the Medicare program is shortage of skilled and trained staff and extraordinarily severe data problems, as well as old computer data systems that are virtually near collapse," Grissom said. The agency has a "major capital and human resources investment" ahead, he added. Grissom also admitted that Medicare carriers may be using different editions of the *Redbook* to calculate reimbursement. Although Grissom did not say directly how this might affect providers, his implication was that providers could suffer additional reimbursement losses from this oversight.

Grissom was greeted with numerous questions and comments about CMS policies and direction. ACCC President Teresa D. Smith, R.N., M.S.N., and director of oncology at the University of Wisconsin Comprehensive Cancer Center in Madison, Wisc., noted that hospital reimbursement drug cuts under prospective payment have had a negative effect on her hospital's cancer program. She said that CMS has underestimated acquisition prices of cancer drugs.

Judy L. Schmidt, M.D., F.A.C.P., president of the Montana Society of Clinical Oncology, pointed out that over the last three years, her oncology practice has seen a major increase in Medicare business from 47 percent to 71 percent. "Cancer is a chronic illness," she said, adding "with the advent of so many successful treatments for advanced disease, our existing patient population is aging." Because of cuts in Medicare reimbursement and with this major increase in the percentage of Medicare patients in her business, her practice has to accept only new patients with private insurance for a while. Schmidt pointed out that most new patient phone call requests are from Medicare patients, and "not being able to accept new Medicare patients as a business decision is not consistent with our mission statement." She maintains that she is forced to make these types of business decisions to maintain practice viability. Schmidt said she is committed to maintaining her nurses' salaries and said further Medicare cuts are "very worrisome."

Grissom was asked how federal regulators and oncology organizations can better work together to ensure cancer drug reimbursement that reflects the real world. He encouraged providers and patient advocates to participate in monthly group sessions with CMS. (Call David Clark at 410-786-6843 for further information). In addition, he urged providers and advocates to visit the CMS web site—www.hhs.gov—for up-to-date fiscal intermediary and policy memoranda.

Grissom went on to mention errors in Medicare data, for example, which have impacted the 5.4 percent cut across-the-board in the Physician Fee Schedule effective Jan. 1, 2002. He called this issue "difficult and sensitive." The Medicare Payment Advisory Commission has proposed a new formula for calculation and a 2.5 percent update in 2003.

Laeton J. Pang, M.D., M.P.H., president of the Hawaii Society of Clinical Oncology, said radiation oncologists in Hawaii have experienced a 9 percent cut under the fee schedule. In freestanding centers the provider cuts have been about 12 percent. "It is difficult to recruit medical professionals, keep ancillary workers, and maintain quality of care" with such payment cuts, Dr. Pang said.

Discussion also focused on CMS and the assignment of C codes for new drugs. Although the Food and Drug Administration has already approved 12 sole-source drugs, CMS has not assigned a C code to them.

"This can have a negative effect on the cancer service line," said Christian Downs, M.H.A., J.D., ACCC managing director of provider economics and public policy. Meanwhile, hospital outpatient departments and providers in private settings will have to pick up the cost of administering these new cancer drugs to patients.

Congressional Agenda

Attendees at ACCC's Presidents' Retreat also heard from Pat Bousliman of the Senate Finance Committee, which has jurisdiction over the Medicare program. The Senate Finance staffer indicated that there was "a reasonable chance" that Congress would pass this year an oral anticancer drug benefit to Medicare Part B.

"Gleevec and similar oral cancer drugs have had good testimony," Bousliman said. Legislation has been introduced in both the House and the Senate. The measure is estimated to cost $2.8 billion over five

Representatives from the nation's leading patient advocacy groups attended ACCC's Patient Advocacy Meeting held Jan. 31 in McLean, Va. Among the topics discussed were the challenges of developing a cancer outreach program in rural areas. Top left photo, Mary Helen Hackney, M.D., (at left) associate professor, Division of Hematology/Oncology, Massey Cancer Center, Virginia Commonwealth University, Richmond, Va.; and Judy L. Schmidt, M.D., F.A.C.P., president, Montana Society of Clinical Oncology, Missoula, Mont.

Top right, from left, Tracy L. Kilmer Clagett, M.A., advocacy program manager, Office of Liaison Activities, National Cancer Institute, Bethesda, Md.; Julie M. Fleshman, J.D., M.B.A., executive director, Pancreatic Cancer Action Network, Torrance, Calif.; and Wendi Homza, Virginia state chairperson, Patient Advocate Foundation, Chesterfield, Va.

Lower left, among the attendees at the ACCC's 10th Annual Oncology Presidents' Retreat, held Feb. 1-2, in McLean, Va., were Thomas L. Goodman, M.D., F.A.C.P., (at left) president-elect, Upstate New York Society of Medical Oncology & Hematology, and Stuart P. Feldman, M.D., treasurer of the state society.

Lower right, in honor of the 10th Anniversary of ACCC's Oncology Presidents' Retreat, David K. King, M.D., F.A.C.P., was awarded a plaque for continuing dedication, leadership, and service as facilitator for this program over the past 10 years. Dr. King is co-chair of the ACCC Ad Hoc Reimbursement Committee, and medical director of Internists, Oncologists Ltd., Good Samaritan Regional Medical Center, in Phoenix, Ariz.

years, "which is not an expensive bill," he said.

However, many believe the likelihood of passage of a more comprehensive Medicare drug benefit plan for seniors is unlikely due to the after effects of the Sept. 11 event. The $1.3 billion federal budget estimated as a surplus in 2002 is now a $21 billion deficit, which is a "drastic shift," he said.

Bousliman pointed out that other important Medicare issues that are expected to receive attention this election year include restudying the AWP system, because of the "need to assure quality cancer care" and Medicare regulatory reform. In addition, the Senate Finance Committee also plans to work with oncology providers and patient advocacy groups on improving the methodology of the practice expense issue.

"Even with oncology drug payments at AWP minus 5 percent, current aggregate Medicare payments in the physician office setting are breakeven," said Mary Lou Bowers, vice president, Consulting, at ELM Services, Inc. "Further reductions in reimbursement will put pressure on offices to reduce services and move patients to the hospital outpatient setting."

ACCC's Public Policy Agenda

ACCC Executive Director Lee E. Mortenson, D.P.A., told the oncology leadership that ACCC's priorities this year include assuring the viability of hospital-based cancer programs. To that end, the Association will encourage federal lawmakers and regulators to work for more reasonable drug reimbursement for outpatient departments. ACCC will work with the Ambulatory Payment Classification (APC) Advisory Panel and CMS to further clarify implementation of new billing and payment policies.

ACCC is also committed to the continued viability of chemotherapy administration in the physician office setting for Medicare patients. The Association will conduct additional studies on the impact of payment cuts on providers and the impact of such cuts on access to patient care.

Other ACCC policy initiatives include 1) launching a study on manpower shortages in the oncology workforce, 2) supporting passage of oral anticancer drug legislation, and 3) promoting partnerships between oncology physician society and nursing society leadership with regard to patient advocacy issues.