

# Taking Our Message Straight to CMS

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**O**n April 5, 2002, the Association of Community Cancer Centers testified at the Centers for Medicare and Medicaid Services (CMS) Town Hall Meeting on the payment for certain drugs and biologicals under the hospital outpatient prospective payment system in 2003. Saira Sultan, ACCC's director of public policy, represented the Association and highlighted the problems with the April 1, 2002, reductions in reimbursement for pass-through drugs as well as the steps CMS should take to ensure that drugs coming off the pass-through in 2003 are appropriately reimbursed. CMS should use the information from the Town Hall Meeting to develop the 2003 payment rates for the outpatient prospective payment system.

On April 1, 2002, CMS enacted a significant reduction in the pass-through payment for drugs and biologicals administered in the hospital outpatient department. According to CMS, the reduction is based in part on its analysis of the acquisition costs of certain drugs. ACCC testified that this payment rate is "woefully inadequate," fails to cover the acquisition costs of sole-source drugs, and does not appropriately recognize or reimburse for the costs of pharmacy services.

In 2003 the majority of the drugs currently on the pass-through will no longer be eligible for a pass-through payment and will instead receive only an ambulatory payment classification (APC) payment. To help ensure that patients continue to have access to quality cancer care in the hospital outpatient department after this shift has occurred, ACCC recommends that CMS must take the following steps prior to 2003:



- Recognize that current payment rates for the total costs incurred in providing cancer drugs and services are inadequate
- Ensure that accurate data are used to establish adequate payment levels for cancer drugs and services at the end of the original pass-through period
- Use a "reasonableness" test to ensure the adequacy of post-transitional payment rates for cancer drugs and services
- Augment the flawed Medicare data for cancer drugs and services, and do not rely on the outdated external survey to estimate drug acquisition costs
- Share data and methodology for computing APC rates with outpatient community cancer programs as soon as they are available to allow meaningful input.

In taking these steps, we believe that CMS will be better able to capture and appropriately reimburse for the costs incurred in providing cancer treatment in the hospital outpatient setting.

At the Town Meeting, ACCC raised concerns that CMS has failed to release the data and methodology the agency plans to use to calculate the 2003 payment rates, which has limited provider groups' ability to contribute to this process.

ACCC worked to develop a coalition around this issue of sharing data and methodology, and CMS has since reversed its current course of action and decided to release the data that it will use to calculate the 2003 rates. However, CMS has not indicated when this release will take place.

ACCC is encouraged by CMS' decision to release this data and is hopeful that this move signals a willingness by CMS to have more stakeholder input in decisions. ☐

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