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Association Hosts Meeting about Regulatory Threats to Radiation Oncology

More than 50 leaders in oncology attended ACCC's first Radiation Oncology Leadership Institute, June 8-9, 2000, in Herndon, Va. It served as a forum for participants to share views and chart a united effort to combat new regulatory threats and intrusions to cancer care.

The central message: Oncology is in crisis. Total reimbursement of radiation therapy is more than 1 percent of the total Medicare budget and is becoming a rapidly increasing component of that budget. However, Medicare is expected to cut payments for radiation oncology well below hospital costs. In fact, using single procedure claims, all but one of the radiation oncology ambulatory payment classifications (APCs) has a payment that is below the reported cost.

What can be done? The consensus of those who attended the meeting was that radiation oncologists, medical oncologists, and others in the oncology field must set aside their differences. Next, they must pull together to send a unified message to lawmakers and regulators in order to change the new Medicare payment plan.

Participants at the meeting represented the American Society for Therapeutic Radiology and Oncology (ASTRO), the American Society of Clinical Oncology (ASCO), the American College of Radiation Oncology (ACRO), the Association of Freestanding Radiation Oncology Centers (AFROC), the American Cancer Society (ACS), the Oncology Nursing Society (ONS), US Oncology, the National Patient Advocate Foundation, and the Illinois Medical Oncology Society (IMOS), among others. ACCC and ALZA corporation jointly hosted the meeting.

ACCC President David H. Regan, M.D., called the Health Care Financing Administration's (HCFA) action on APCs "an assault on the cancer care delivery platform." HCFA's actions have prompted oncology organizations to increase their dialogue in order to maintain access and quality care for patients.

The extent of this "assault" is dramatic. Studies done by The Lewin Group and ACCC, compiled from HCFA cost report data from 6,000 hospitals, show that the technical component of radiation oncology will be cut $136 million below hospital cost under APCs.

"We can't deliver services at a loss," said Lee E. Mortenson, D.P.A., ACCC executive director. "Our experience and data suggest that 60 percent of hospital radiation oncology patients are Medicare patients. Thus, there is no possible way for these departments to meet operating costs or to contribute to equipment replacement costs necessary for radiation oncology to improve the quality of cancer care."

Both outpatient hospital-based and freestanding centers with radiation oncology services will suffer. Only 10 cancer-specific hospitals are exempt, and there is a limited exemption for rural hospitals.

Christopher M. Rose, M.D., chairman of ASTRO and a practicing radiation oncologist, echoed Mortenson's remarks. He noted that ASTRO has told HCFA that unless appropriate changes are made in payment of services, access to radiation oncology services by Medicare beneficiaries will be seriously compromised and hospital-based radiation oncology departments will most likely close.

ASTRO, in its comments to HCFA Administrator Nancy-Ann Min DeParle, pointed out that the APC "system must not limit access to care and should neither discourage the provision of appropriate care nor encourage the provision of marginal care."

ASTRO as well as other radiation oncology leaders maintain that HCFA's methodology in determining the APCs is "flawed." In its comments to HCFA, ASTRO pointed out through examples the inadequacy of the proposed APC payments when compared to direct costs identified by the Clinical Practice Expert Panels (CPEPs). HCFA convened the CPEPs to determine the direct costs of providing all the services paid under the Medicare physician fee schedule. Here is a sampling of the inadequacy in proposed APC payments:

- Code 77331, Special radiation dosimetry—APC 0304. The APC payment is $72.25 compared to the total CPEP $395.03, thus a loss of $322.78
- Code 77336, Radiation physics consult—APC 0311. The APC payment is $64 compared to the total CPEP $215.38, thus a loss of $151.38.
- Code 77413, Radiation treatment delivery—APC 0301. The APC payment is $107.16 compared to the total CPEP $516.68, thus a loss of $409.52.

According to ASTRO, several factors have contributed to the problem of inadequate payment rates. Of these, perhaps the most important was HCFA's use of single procedure claims, which excluded more than 98 percent of the radiation oncology claims from the calculation of the payment rates.

Based on ASTRO's analysis of physician claims in the hospital

setting, ASTRO estimates that the total number of claims used to calculate the payment rates for the radiation oncology APCs was only 1.4 percent of the total number of services provided in hospital outpatient departments in 1996. In its comments to HCFA, ASTRO urged that "these problems be investigated and corrected."

Radiation oncology typically involves treatment preparation, simulation, medical physics, radiation treatment delivery, and clinical treatment management. Multiple services of varying complexity are provided over a variable period of time, depending on the type of cancer being treated and the patient's response to the therapy.

According to Rose and ASTRO, the problem of inadequate payment for individual services is compounded by a proposed classification system that generally combines low-complexity, low-cost services with high-complexity, high-cost services. When the median costs of all the individual services in the group were used to calculate a payment rate for all the services in the group, the result is that the lower cost services tend to be overpaid and the higher cost services tend to be underpaid.

While it can be argued that these payment differences might average out in the long run, the proposed payment rates will discourage the use of clinically appropriate but costly therapies and encourage the use of less expensive therapies. For example, in palliative management of bone metastases, the total APC payment is $1,270.80 compared to the total median cost payment of $1,047.85, which results in a gain of $222.95 under APCs. However, payment for a more complex procedure—definitive conformal management of primary prostate cancer—based on the APCs was $7,667.87 compared to the total median cost payment of $8,221.39, showing a $553.52 loss. Here, the more complex the therapy, the greater the loss a hospital will incur.

Other ACCC Actions

CALL FOR AMENDMENTS TO BYLAWS

Any delegate representative who would like to suggest a Bylaws change must inform the ACCC Executive Office of that intent **no later than November 15, 2000,** for consideration by the House of Delegates in March 2001. According to the ACCC Bylaws, adopted in March 1984 by the House of Delegates, "Bylaws may be amended by the vote or written assent of two-thirds of the delegate representatives voting. Written notice of proposed Bylaws amendments must be sent to voting members at least 30 days prior to the meeting at which they are to be acted on."

All suggested amendments should be sent to: ACCC, Attn: Steve Chan, 11600 Nebel Street, Suite 201, Rockville, MD 20852 (phone: 301-984-9496, ext. 218; fax: 301-770-1949).

CALL FOR NOMINATIONS

The ACCC Nominating Committee is soliciting nominations for the following Board positions:

- President-Elect
- Treasurer
- Five Board positions

The term of President-Elect is one year. The Treasurer and Trustee positions are two-year terms. Although nominees are not required to be the voting representative, they must represent an ACCC Active member institution or chapter.

Letters of nomination should be sent to the ACCC Executive Office, citing the nominee's name and his/her respective membership affiliation (institution/chapter), along with a copy of his/her curriculum vitae. Nominations must be received **no later than November 30, 2000.**

For more information about the nomination process, contact Steve Chan at the ACCC Executive Office (as noted on this page).

CLINICAL RESEARCH AWARD

The Association of Community Cancer Centers (ACCC) is soliciting nominations for its annual Clinical Research Award. This award will be presented to one or more individuals, whose research has significantly and positively impacted the oncology patient, family, and/or community. A special award luncheon is held at ACCC's fall national meeting to honor the award recipient(s), who will receive a cash award and a plaque commemorating the event.

To submit a nomination, please send a letter (minimum two paragraphs; maximum two pages), with your name and telephone number, stating why you believe the individual is qualified to receive this award. Please submit nominations to the ACCC Executive Office, 11600 Nebel Street, Suite 201, Rockville, MD 20852-2557, (fax: 301-770-1949) **no later than November 30, 2000.** If you need further information, please contact Steve Chan at the ACCC Executive Office (as noted above).