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ACCC's Presidents' Institute Brings Together National Oncology Leaders

The Second Annual Presidents' Institute, hosted by the Association of Community Cancer Centers, drew presidents of state oncology societies, national oncology leaders, federal officials, representatives of patient advocacy organizations, and members of industry. The key message was clear: leaders in the cancer care community must continue to advocate their positions through all media, collaborate as a united front, and begin collecting well-supported data to turn around federal government cost-cutting measures that impact providers and patient oncology services. Those cost-cutting measures include the Health Care Financing Administration's (HCFA) current campaign to reduce drug margins.

Attendees were surprised to hear that HCFA has proposed to Congress that hospitals and physicians treating Medicare cancer patients with chemotherapy and supportive care drugs be reimbursed at average wholesale price (AWP) minus 17 percent. That was according to Parashar B. Patel, M.P.A., deputy director of the Purchasing Policy Group, at HCFA's Center for Health Plans and Providers.

"Medicare wants to pay appropriately," said Patel.

Most others at the meeting, however, did not share his faith in HCFA's intention to pay "appropriately."

"The recommendation that we drop reimbursement to AWP minus 17 percent will have just as disastrous a consequence for Medicare and other patient access as the policy HCFA just withdrew," said ACCC Executive Director Lee E. Mortenson, D.P.A. "In either case, physicians and hos-

pital outpatient departments cannot cover the costs of administration under these payment policies."

In the last few months, the issue of AWP has generated a great deal of publicity and interest in the agency as well as among beneficiary groups, the provider community, Congress, and the media.

Earlier this summer the Secretary of the Department of Health and Human Services (DHHS) and the Administrator of HCFA made twin announcements that HCFA will encourage Medicare intermediaries to begin reimbursing hospitals and physicians treating Medicare patients according to a drug pricing survey conducted by the Department of Justice (DOJ) during an ongoing investigation of Medicaid drug pricing. HCFA hoped to "encourage" this change without any formal rule or comment by October 1 of this year. This method of reimbursement would be substituted for the traditional reimbursement for drugs at the average wholesale price (AWP) as reported in *The Red Book* and other commercially available resources, which serve as DHHS's current reference source. DHHS contended that it has been surprised to find out that physicians and hospitals pay less than these published wholesale prices. It wished to move to "correct" this newly discovered disparity by unilaterally substituting the DOJ survey for the prevailing AWP.

The DOJ drug pricing survey included commonly used chemotherapy and supportive care drugs and a number of other drugs that are occasionally used in hospital and office settings. The Department of Justice in conjunction with the states attorneys general had pressured state Medicaid plans to immediately lower their reimbursements to providers on the basis of the sur-

vey data. Unfortunately, analysis of hospital and practice data indicated that adoption of these survey data as a substitute method of "fair" payment underreimburses providers of cancer care and generates significant losses.

In a September 8 memo and letter to members of Congress, Nancy-Ann Min DeParle, former HCFA administrator, reversed course. She announced that HCFA would *not* reduce its payments for 17 of 49 drugs (14 cancer or supportive care drugs and three used to treat hemophilia) anytime soon and instead will study the issue further. Thirty-two drugs will be reimbursed under the new DOJ drug pricing survey.

Meanwhile, said Patel, carriers have been asked to use their usual source of AWP for the cancer and supportive care drugs listed in the September 8 memo. Patel reiterated that Medicare carriers as well as HCFA staff are conducting analyses of the drug pricing issue and "believe that the prices for the 32 drugs will not have a deleterious effect on access." He did express concerns about appropriate access, however, to the 14 cancer and supportive care drugs because of the change in Medicare payment. HCFA "wants to pay properly for the drugs as well as the administration of drugs," Patel reiterated.

"To what extent did HCFA attempt to validate the integrity of the data from the Justice Department?" asked meeting attendee Richard A. McGee, M.D., F.A.C.P. "Were these numbers the lowest acquisition price or were they average prices? Were these prices driven from just a few sources, such as the VA hospital system?"

Patel responded that the Justice Department and its Medicaid part-

ner conducted surveys not just of the VA hospitals but also of wholesalers around the country. In addition, HCFA staff made phone calls on their own to wholesalers, various state Medicaid agencies, physician groups, and others about the reasonableness of these drug prices. According to Patel, the respondents said that the actual acquisition costs for almost all these drugs were lower than the AWP's being used by HCFA and even lower than the prices used in the Justice Department report.

"We can't acquire the drugs at those prices," said McGee, whose words of concern were also voiced by many others at the meeting. McGee went on to challenge HCFA by saying: "Tell us from whom you bought the drug at that price."

"I'm glad you brought that up," said Patel, who responded that HCFA had initially considered sharing that information with providers but withdrew the option. "However, due to such



Attendees at ACCC's recent Oncology Presidents' Institute learned how to deliver their message to Capitol Hill. In addition to many state oncology society presidents, patient advocacy organizations were also represented. Shown here are Christopher Ptomey from the Center for Patient Advocacy, and Elizabeth Layne, D.D.S., M.S.D., from the Alliance for Lung Cancer Advocacy, Support and Education.



At right, ACCC Executive Director Lee E. Mortenson, D.P.A., addresses collaborating partners of the National Dialogue of Cancer, including (from right to left) ABC news commentator Sam Donaldson, Barbara Bush, former President George Bush, and Sen. Dianne Feinstein (D-Calif.). Mortenson discussed research components of the National Cancer Act at a recent meeting of the NDC, a national group that seeks to enhance communication among cancer organizations and their members.

overwhelming provider interest, HCFA will certainly consider this option again," he said.

After Patel had left the meeting, Edward L. Braud, M.D., of Memorial Health System in Springfield, Ill., noted the need for a legislative rather than a regulatory solution to AWP. He urged providers to work with their legislators to effect such a change.

On other matters, Patel said that HCFA is working on making changes in the physician practice expense formula that would increase provider payment for chemotherapy administration. HCFA wants to provide a "more equitable" pricing for the administration of chemotherapy. It will then again review drug prices, after reaching out for comments from physician groups, he said.

The Annual Presidents' Institute, hosted by the Association of Community Cancer Centers, serves as a forum for consensus building across the oncology provider leadership. In addition to leaders from state oncology societies, many national organizations were represented, including the American Society of Clinical Oncology, American Society of Hematology, American Cancer Society, American College of Surgeons, National Alliance of Breast Cancer Organizations, American Society of Therapeutic Radiology and Oncology,

Association of Oncology Social Work, and Oncology Nursing Society. Several patient advocacy organizations were also present, including the Center for Patient Advocacy, Alliance for Lung Cancer Advocacy, Support and Education, Cure for Lymphoma Foundation, and National Coalition for Cancer Survivorship. Sponsors of this year's institute were AstraZeneca and Novartis Pharmaceuticals Corp.

ONS SAYS THANK YOU

In a July 20, 2000, letter to ACCC President David H. Regan, M.D., Pearl Moore, R.N., M.N., F.A.A.N., chief executive officer of the Oncology Nursing Society, expressed thanks for his "inspiring" editorial.

"I am writing on behalf of our membership of more than 29,000 oncology nurses to thank you for your wonderful message in the May/June *Oncology Issues*," wrote Moore. "Your expressions of concern and recognition of our contributions are very meaningful to both the specialty and to the individual oncology nurse."

In that issue, Regan detailed the immense contributions that oncology nurses have had on cancer care. He pledged to help raise awareness of the importance of oncology nursing, particularly among legislators, and to aid nurses to become more effective political advocates. ☐