

New Analysis Shows Build Back Better Act Will Result in 42.9% Payment Cuts to Cancer Providers

Oncologists warn payment cuts in BBB Act will cause drug and related costs to increase, not decrease as bill intends

BROOKLYN, NY, UNITED STATES, November 19, 2021 /EINPresswire.com/ -- A new analysis shows



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Ted Okon, COA

that language in the Build Back Better (BBB) Act will cause a 42.9% cut in Medicare payments to independent community oncology practices. Oncologists are warning that these latest payment cuts will do the same thing they have always done – cause practices to close, push more cancer care into more expensive hospitals and, ironically, cause patients' costs to increase.

The independent analysis was conducted by Avalere Health for the Community Oncology Alliance (COA), a national non-profit organization representing cancer care

providers and the patients they serve. It looked at the impact of the way BBB drug pricing negotiations between drug companies and the government would be implemented for the top Medicare Part B drugs that could be selected for negotiation, many of which are cancer treatments.

The Avalere analysis shows that community medical oncology will see a 42.9% decrease in Medicare payments because of the way the BBB operationalizes drug price negotiations. Rather than have drug manufacturers rebate the government directly for lower negotiated drug prices, the BBB Act puts oncologists and other physicians treating serious diseases in the full-risk position of receiving lower payments. Practices rely on these payments to cover associated overhead costs, none of which will be reduced – and in fact, are increasing due to the current inflation pressures and shortages.

• [Read the full Avalere analysis of the BBB Act impact on providers.](#)

Research has clearly documented the consolidation of cancer care into hospitals, which

exorbitantly mark-up drugs for patients with cancer and charge much more for care. [A recent COA study](#) using hospital self-reported drug price data, showed that hospitals charge patients and insurers an average of 3.8 times the acquisition costs for already expensive cancer treatments. [Another recent study](#) from researchers at the University of California Berkeley found that hospital outpatient department prices were double those paid in physician offices for cancer drugs, and that patient out-of-pocket costs are substantially higher for hospital-based cancer care.

“When will Congress learn that pressuring providers by ratcheting down Medicare reimbursement has only led to consolidation and higher costs for patients. This isn’t hype – it’s fact-based by history,” says Ted Okon, executive director of COA. “If Congress doesn’t fix this Build Back Better Act, Americans with cancer and other serious diseases are going to be shocked when their drug costs go up, not down.”

COA is calling on Congress to fix the BBB Act language so that drug manufacturers directly refund the government excess costs above the negotiated Maximum Fair Price, or MFP. This creates a direct transaction between the government and drug manufacturers and does not put unnecessary financial risk on independent physicians, such as community oncology practices.

History has shown that repeated Medicare cuts have caused community oncology practices to close or merge with hospital systems. COA’s 2020 Practice Impact Report found that 1,748 community oncology clinics and/or practices have closed, been acquired by hospitals, undergone corporate mergers, or reported that they are struggling financially. If community oncology practices close because of the dramatic payment cuts in the BBB Act, the result will ironically be higher patient costs and more Medicare spending, not less.

To read the full Avalere analysis of the BBB Act’s impact on providers visit <https://avalere.com/insights/part-b-drug-negotiation-under-bbba-would-reduce-payments-to-providers>.

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About the Community Oncology Alliance:

The Community Oncology Alliance (COA) is a non-profit organization dedicated to advocating for community oncology practices and, most importantly, the patients they serve. COA is the only organization dedicated solely to community oncology where the majority of Americans with cancer are treated. The mission of COA is to ensure that patients with cancer receive quality, affordable, and accessible cancer care in their own communities. More than 1.5 million people in the United States are diagnosed with cancer each year and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more about COA at communityoncology.org.

Community Oncology Alliance

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