

Community Oncology Alliance Statement on Proposed 2023 Hospital Outpatient Prospective Payment Rule

CMS Fueling Medicare Spending by Gifting 340B Hospitals Almost \$2 Billion for 2023, While Further Driving Independent Physicians Out of Business with Cuts



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Ted Okon, COA

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/EINPresswire.com/ -- Statement from Ted Okon, Executive Director, Community Oncology Alliance (COA)

The Centers for Medicare & Medicaid Services (CMS) proposed 2023 Hospital Outpatient Prospective Payment System (OPPS) rule is an outrageous dereliction of duty by an agency responsible for the financial health of the country's Medicare program.

It turns a blind eye to the [extreme mark-ups that 340B hospitals charge patients](#) with commercial insurance, as well as those Americans without insurance. And as smaller and rural hospitals struggle to stay solvent, with the proposed 2023 OPPS CMS has reduced their Medicare payments and provided a gift to large health systems, each already making hundreds of millions of dollars from 340B profits.

In the OPPS CMS just released, the agency signals that it will be stopping the 340B payment reforms that were finally starting to address part of this runaway program. Abuse of 340B has allowed large health systems to acquire independent physician practices, including community oncology clinics, consolidate our health care system, reduce patient choice, and dramatically drive up health care spending. While the Supreme Court recently ruled that CMS should be using survey data to adjust CMS payments to 340B hospitals, the agency has brazenly ignored the survey data it collected, which should adjust 340B Medicare payment rates to average sales price (ASP) minus 28.7 percent, not ASP plus six percent as CMS suggests will happen in 2023.

The 2023 OPPS increased payment rates to 340B hospitals will be close to \$2 billion. Due to budget neutrality, this \$2 billion will have to come from lower payment rates to all hospitals,

especially those struggling smaller and rural hospitals, and those without 340B drug discounts.

Additionally outrageous is CMS' 2023 proposal to increase Medicare hospital outpatient payment rates by a net 2.7 percent. [Just last week](#), CMS proposed dramatic cuts to independent physician practices, especially community oncology practices facing significant payment cuts to medical oncology, diagnostic imaging, and radiation treatment. Most offensive are the payment cuts to administering life-saving chemotherapy. This is a slap in the face to independent physician practices and clearly communicates that policymakers do not value the services they provide, especially as they struggle in the face of rampant inflation, the ongoing COVID pandemic, sequester cuts, and pending reconciliation pricing reform cuts.



As Congress tries to pass drug payment reforms in a reconciliation bill, CMS is actually fueling drug costs for all Americans, including seniors covered under Medicare and commercial insurance. [A study by COA](#) shows that 340B hospitals charge patients and insurers an average of 3.8 times the cost for already expensive cancer treatments. Another study 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.

COA is extremely disappointed and outraged with both the proposed 2023 Medicare outpatient and physician fee schedule proposed rules and will be submitting detailed comments on why they should be significantly overhauled.

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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.

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