

COA Opposes Reversal of 340B Reforms in Proposed 2023 Hospital Outpatient Prospective Payment Rule

COA Comment Letter Notes Overpaying Large 340B Health Systems in 2023 OPSS Will Hurt Smaller and Rural Hospitals and Further Fuel Care Consolidation

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[EINPresswire.com/](https://www.einpresswire.com/) -- Struggling independent practices, small and rural hospitals, and their patients will suffer if the changes in the proposed 2023 Medicare Hospital Outpatient Prospective Payment System (OPSS) become a reality.

In extensive formal comments submitted today, the Community Oncology Alliance (COA) warned the Centers for Medicare and Medicaid Services (CMS) of the effects of the proposed OPSS rule. If implemented, the rule will exorbitantly overpay large 340B health systems and totally reverse important reforms to the runaway 340B Drug Pricing Program. The final rule should be significantly overhauled, or it will simply fuel Medicare spending and drive independent practices out of business.

- [Read COA's full comment letter to CMS on the 2023 OPSS proposed rule here.](#)

As noted in [an analysis from Avalere Health released last week](#), completely reversing Medicare payment reforms for hospitals, as CMS has proposed, will cause 80 percent of hospitals to experience meaningful payment cuts, with smaller and rural hospitals seeing the largest payment decreases. This is due to government rules that require the changes to be budget neutral, meaning overpayments for 340B drugs have to come out of the pockets of all hospitals.



Community Oncology Alliance Logo

However, this means that smaller, vulnerable, rural hospitals bear the burden while larger health systems benefit and can use 340B profits to further finance consolidation of care, which is driving up costs. At the same time, patients who depend on life-saving cancer drugs and other critical outpatient therapies will be burdened with approximately \$66.6 million dollars in 2023 due to higher drug cost-sharing.

Instead of using hospital survey data to correctly set 340B hospital reimbursement at Average Sales Price (ASP) – 28.7 percent as the Supreme Court said CMS could do and the agency has already collected, CMS is arbitrarily and capriciously proposing to simply increase reimbursement back to ASP + 6 percent.

The payment increases to hospitals and reversal of 340B reforms come on the heels of CMS proposing to cut payments to independent oncology providers. Independent, community oncology practices care for the majority of patients with cancer in the United States. The burden of these reimbursement cuts will pressure practices to consolidate into much more expensive hospital systems, increasing costs to Medicare, seniors, and employers and reducing patient access to care.

“This is a classic example of the government kicking independent practices and small hospitals while they are down,” said Ted Okon, executive director of COA. “It’s mind-boggling how CMS is proposing to drastically overpay large 340B hospitals for drugs, which then get marked up for patients and commercial payers. The CMS decision is arbitrary and capricious and nothing short of irresponsible and an abuse of taxpayers’ money.”

Read COA’s full 2023 OPPS comment letter [on the COA website](#).

About 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 5,000 people in the United States are diagnosed with cancer every day and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more at www.CommunityOncology.org. Follow COA on Twitter at www.twitter.com/oncologyCOA or on Facebook at www.facebook.com/CommunityOncologyAlliance.

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