Community Oncology Alliance Comments on Proposed 2024 Physician Fee Schedule and Hospital Outpatient Payment Rules

COA Warns That Proposed Rules Continue Decline in Community Oncology Payment While Enriching Hospitals and Fueling Provider Consolidation

Logo celebrating the 20th anniversary of the Community Oncology Alliance

WASHINGTON, DISTRICT OF COLUMBIA, UNITED STATES, September 12, 2023 / EINPresswire.com/ -- Despite promising provisions in both rules, the proposed Medicare Physician Fee Schedule (MPFS) and Hospital Outpatient Prospective Payment System (HOPPS) rules for 2024 will continue the destructive trend of devaluing independent, community-based cancer care by paying them less than inflation and fueling the consolidation of independent providers into the more expensive hospital setting.

In formal comments submitted this week, the Community Oncology Alliance (COA) urges the Centers for Medicare & Medicaid Services (CMS) to reconsider another cut to reimbursement for community oncology that continues to keep payment for key practice services to below the cost of inflation, while at the same time increasing payments for hospitals and large health systems and feeding the out-of-control 340B Drug Pricing Program.

- Read COA's comments on the proposed 2024 Medicare Physician Fee Schedule rule.
- Read COA's comments on the proposed 2024 Hospital Outpatient Prospective Payment System rule.

COA's analysis of the proposed 2024 MPFS rule shows the conversion factor being cut to $32.75, a 3.34 percent decrease from the 2023 conversion factor of $33.89. While CMS estimates this will result in a small payment increase for several services, it will be offset by payment cuts in other services. Additionally, the small increases (one and two percent) do not nearly match the record

pace of inflation seen over the last few years.

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> *Ted Okon, COA*

In fact, an analysis of physician payments conducted for COA by Avalere Health and released yesterday found that from 2014 to 2023, the conversion factor in the fee schedule, which is one of the key factors that adjusts reimbursement for independent oncology procedures, decreased by a total of 5%, while the compounded increase of inflation over the same period was 28%.

"It is unconscionable that CMS is pushing another cut to community oncology care after reimbursement has effectively decreased relative to inflation by nearly 34% over the last 10 years," said Ted Okon, executive director of COA. "It makes no sense that CMS would continue to undervalue the backbone of our nation's cancer care system that delivers high quality, high-value, and accessible cancer care to patients."

Furthermore, COA's comments note that the Physician Fee Schedule cuts are coupled with increased payment for hospitals in the Hospital Outpatient Prospective Payment System. Cancer care in the hospital outpatient setting costs Medicare seniors and the government much more for the exact same services. The payment imbalance between independent providers and hospitals will cause practice closures and consolidation, driving up the cost of care for America's most vulnerable patients and enriching large hospital systems.

The Avalere analysis for COA of physician payment rates, found that in 2023, independent community oncology payment for chemotherapy administration is nearly the same as 10 years ago ($133 in 2014 and $132 in 2023), while the hospital rate has increased by 11% during the same period. If the chemotherapy infusion reimbursement for community oncology had kept pace with inflation, it would be $171 in 2023, but that would still represent about half the payment to hospitals ($333).

In the comments on the proposed 2024 Physician Fee Schedule, COA does note several provisions that would be beneficial for practices, such as the expansion of COVID-19 telehealth rules and direct payment when practitioners train and involve caregivers to support patients in carrying out a treatment plan. Given that caregivers play such an essential role in the support, treatment, and care of patients with cancer, COA strongly supports payment for caregiver training services. However, the positive provisions in the proposed 2024 Physician Fee Schedule do not offset the fundamental damage that will be caused by the reduction in reimbursement.

Within the proposed 2024 Hospital Outpatient Payment rule, COA notes that CMS is proposing to continue policies that fuel the growth of large 340B hospitals at the expense of independent community oncology clinics and small, rural hospitals that serve vulnerable patients. This is because CMS proposes to maintain reimbursement for 340B drugs at average sales price (ASP)

plus six percent in direct contradiction to its own survey data that indicates a generous reimbursement rate would be ASP minus 28.7 percent, a method explicitly laid out as legitimate by the United States Supreme Court.

The 2024 OPPS proposal benefits large, urban 340B hospitals to the detriment of small and rural 340B hospitals, as well as saddling patients with additional beneficiary cost sharing. As COA noted in its recent letter to CMS on the 340B payment remedy proposal, 13 percent of total 340B hospitals, many of them the largest ones in the country, will receive nearly 50 percent of the remedy payments. When looking at the rural vs. urban divide, rural hospitals will receive only five percent of the remedy payments, whereas urban hospitals will receive a whopping 95 percent. In the letter, COA recommends that CMS should proceed as indicated by the Supreme Court and set reimbursement based on survey data from hospitals that indicates reimbursement should be set at ASP minus 28.7 percent.

The HOPPS rule includes misguided proposals to address the ongoing cancer drug shortages by incentivizing hospitals to stockpile these medicines. Notwithstanding the illogical approach of stockpiling drugs that are already in shortage, rather than addressing the root economic causes of drug shortages, CMS' proposal will encourage large hospitals to hoard drugs to the detriment of independent providers. This will further fuel inequities in cancer care in the U.S., particularly for patients in rural or underserved areas. COA encourages CMS to review the detailed feedback provided last month to the House Energy & Commerce Health Subcommittee discussion draft on drug shortages.

Despite the overwhelming negative impact of the proposed 2024 HOPPS rule, COA is pleased that CMS is pursuing more comprehensive price transparency measures for hospitals, including the creation of a CMS-issued template to standardize how price data is presented. Although we believe CMS must do much more to enforce price transparency in hospitals, these are good first steps toward a freer and more open health care market.

"These 2024 payment rules for cancer care in the community and hospital outpatient settings are one step forward, two steps back," said Ted Okon. "Paying for caregiver counseling and increasing price transparency do not make up for a decade of stagnant payments and cuts to community providers while feeding the hospital monopoly monster with endless 340B dollars. Our government has a duty to be good stewards of taxpayers' dollars while supporting high quality care, and that should logically mean CMS supporting independent physicians. Unfortunately, the bulk of the proposed rules show they will do just the opposite – driving independent providers out of business while pushing more and more care into the hospital setting. It's not too late for CMS to change course, and we hope they will listen."

Read the full MPFS comment letter at https://mycoa.communityoncology.org/education-publications/comment-letters/coa-comments-on-proposed-medicare-physician-fee-schedule-rule-for-2024.

Read the full HOPPS comment letter at https://mycoa.communityoncology.org/education-publications/comment-letters/coa-comments-on-proposed-hospital-outpatients-prospective-payment-system-rule-for-2024.

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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. For more than 20 years, COA has been 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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