

United States Senate

WASHINGTON, DC 20510

November 1, 2013

Marilyn B. Tavenner
Administrator
Centers for Medicare & Medicaid Services
200 Independence Ave., SW
Washington, DC 20201

Dear Administrator Tavenner:

We write regarding the Centers for Medicare & Medicaid Services' (CMS) proposed rule to cap certain 2014 Medicare Physician Fee Schedule (MPFS) payment rates at 2013 Hospital Outpatient Prospective Payment System (OPPS) rates. We are especially concerned that this proposal could adversely impact seniors' access to community-based cancer care and lead to increased costs, both for beneficiaries and the Medicare program.

CMS' proposal to cap 2014 MPFS payments using 2013 OPPS rates will cut payments for chemotherapy administration and other essential cancer care services, such as diagnostic imaging, therapeutic radiation, and pathology, provided in community cancer clinics. Because of other Medicare payment and policy differences between hospital-based and community-based cancer services, CMS' proposal ensures that the differential between Medicare spending at these two sites will continue to grow. For example, under the proposed 2014 Medicare payment rules, community cancer clinics would be paid 50 percent less than hospital rates for a representative mix of chemotherapy administration services and 35 percent less than hospital rates for a representative mix of radiation therapy services.

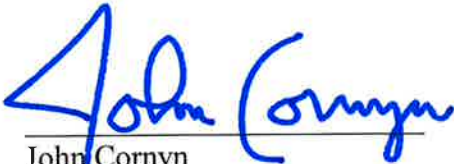
While we agree that CMS should review potentially misvalued codes in order to improve payment accuracy, we are concerned that capping the MPFS payments at OPPS rates does not adequately reflect the cost of these cancer services. By statute, CMS is required to calculate the MPFS values using a resource-based methodology. Failure to account for the real cost of these services by simply capping rates at OPPS levels may potentially force additional clinic closures and consolidation.

Private practice oncology clinics are already under financial pressure. Policies that further exacerbate the economic disparities between the hospital and private practice settings may lead to increased consolidation of these clinics by hospital systems. In addition, it has been well-documented that treatment in the community setting is less costly for beneficiaries and the Medicare program. Therefore, we believe it is important for CMS to refrain from finalizing policies that will exacerbate economic disparities between the settings.

Ensuring that Medicare beneficiaries can retain access to lower cost, quality cancer care in the community is an important goal. We urge you to reconsider this proposal given the concerns that capping payments will limit this access and increase costs.

Thank you for your attention to this matter. We look forward to hearing from you.

Sincerely,



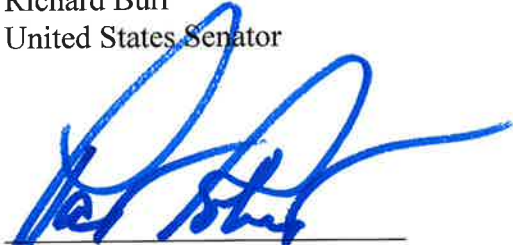
John Cornyn
United States Senator



Richard Burr
United States Senator



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Pat Roberts
United States Senator