



## **Sequester Imperils Cancer Care Delivery System Already in Crisis *Congress Must Act NOW!***

Sequestration will reduce Medicare spending by 2% percent (effective April 1, 2013); however, it will disproportionately cut payments for critical cancer drugs, causing many to be reimbursed less than cost. This will cause additional cancer clinics to close, further consolidating the nation's cancer care delivery system and resulting in patient access problems and higher costs for Medicare and seniors.

### **The Community Cancer Care Delivery System is Already Under Stress**

- Despite [studies](#) indicating that community-based care lowers costs to patients and Medicare, a series of Medicare cuts to cancer care has destabilized the cancer care delivery system already under stress due to inadequate Medicare payment. Since 2008, [more than 1,200 community cancer care centers](#) have closed, consolidated, or reported financial problems, limiting patient access and driving up Medicare costs by forcing patients to costlier care settings.
- When community cancer clinics are forced to close their doors, access to cancer care is compromised for cancer patients, especially vulnerable seniors covered by Medicare.

### **Sequestration Disproportionately Cuts Payment for Critical Cancer Drugs and Will Cause Increased Access Problems and Higher Costs**

- Medicare Part B drugs will be hit harder by the sequester cuts than other services.
  - The current Medicare drug reimbursement rate of ASP + 6% does not adequately pay for the acquisition and related costs (e.g., storage, inventory, waste disposal) of life-sustaining cancer drugs; as a result, many critical cancer drugs are currently reimbursed below cost.
  - ASP + 6% is really closer to ASP + 4% today due to artificial lowering by the inclusion of manufacturer-to-distributor prompt pay discounts.
  - The sequester will reduce Medicare payment for cancer drugs to approximately ASP + 4% and in actuality closer to ASP + 2% (accounting for the prompt pay problem).
  - Many Medicare beneficiaries are unable to pay their 20% coinsurance on expensive therapies.

### **Sequestration Payment Cuts Will Directly Impact Patient Care**

- More cancer clinics will likely limit their services or close altogether, further restricting access to care and forcing cancer patients to seek care in costlier, more distant settings.
- Further payment reductions for generic injectables risk causing new drug shortages.
- Without access to community cancer care, patients experience higher copayments; longer travel times and increased travel expenses; visits to multiple providers and locations for care and services; and delays seeking treatment even as cancer progresses.

### **Congress Must Act NOW to Mitigate the Impact of Sequestration Cuts to Cancer Care**

- **Ask the White House and CMS to exempt Medicare Part B drugs from the sequester.**
  - Congress should carefully evaluate if the sequester legally applies to the Medicare Part B reimbursement rate of ASP + 6%, which is uniquely and specifically set in statute.
- **Please co-sponsor H.R. 800**, a bill introduced by Representatives Whitfield, Green, Nunes, Kind, DeGette, and 27 other original co-sponsors to remove manufacturer-to-distributor prompt pay discounts from the calculation of ASP. H.R. 800 will help mitigate these devastating cuts.

**Our nation's unstable cancer care delivery system and patients fighting cancer need the help of Congress to stop any further cuts to cancer care.**