ALLIANCE OF DEDICATED CANCER CENTERS

DON'T SET CANCER CARE BACK

So-Called "Site Neutral Payment Policies" Are Actually A Penalty Against Innovative Care

Proponents of so-called "site neutral payment policies" claim dedicated cancer centers and physician practices offer the same treatments and services to the same patients leading to the same outcomes. They use this claim as the basis to argue that Medicare should reimburse Dedicated Cancer Centers at the same rate as physician practices. The truth is that these policies are a penalty against innovative care, limiting access to patients who depend on that care.

The facts show that Dedicated Cancer Centers have far different patients, more advanced treatments and services in the outpatient setting, and superior outcomes – all at the same total cost. Therefore, so-called "site neutral payment policies" unfairly penalize hospitals such as ours for advancing cancer care, and providing this level of care closer to patient's homes which is better for our patients. Even organizations representing community oncologists like the American Society of Clinical Oncologists agree, saying that these policies "jeopardize patient outcomes":

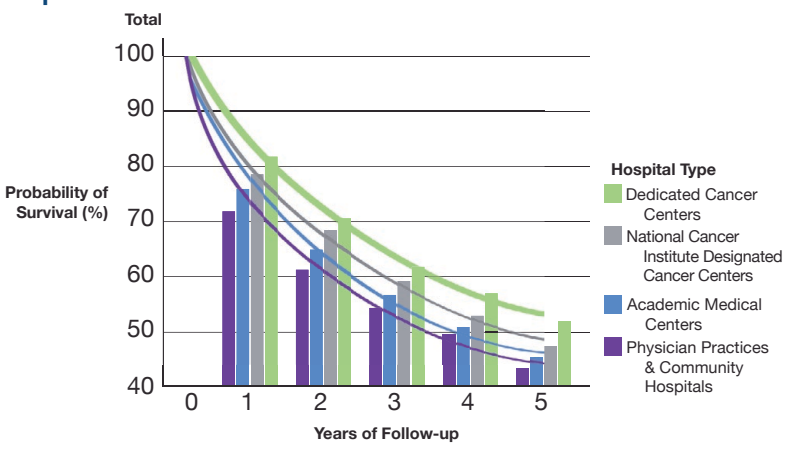
"[S]ite-neutrality proposals are focused on reducing Medicare payment levels in one setting of care without examining whether such modified payments would adequately meet the needs of Medicare beneficiaries with cancer in that setting. Furthermore, these site-neutrality proposals are based on the existing, outdated coding and reimbursement system, without accounting for the potential adverse impacts on the ongoing efforts to fundamentally reform the oncology delivery system or the overarching trend toward value-based payment models in all settings of care. Policymakers should focus comprehensively on how best to reform oncology policy to support the full scope of oncology services that patients with cancer require rather than jeopardizing patient outcomes by reducing the resources available for patient care on the basis of site neutrality or other narrow analyses." (American Society of Clinical Oncology, 'Policy Statement On Site-Neutral Payment In Oncology," Journal of Clinical Oncology, December 2015).

MYTH VS. FACT

MYTH: Physician practices achieve the same outcomes for patients as Dedicated Cancer Centers.

FACT: CMS data shows that survival rates at ADCC institutions are significantly higher than survival rates at community hospitals. In a study that recently appeared in the peer-reviewed publication JAMA Oncology, the risk-adjusted survival after 1 year of treatment was improved by greater than 55% (from 18% to 28%) at ADCC institutions versus cancer patients treated at community hospitals and 27% better than those treated at other academic medical centers.

Superior Survival Rates



(Medicare 2006-2011, CRG adjusted. JAMA Oncology: October 8, 2015. Note: 77% of cancer patients are treated in community hospitals. Five year survival rates are from the start of treatment and are severity adjusted.)

MYTH VS. FACT

MYTH: Physician practices treat the same patients as Dedicated Cancer Centers.

FACT: Dedicated Cancer Centers treat a high proportion of severely ill patients with the most complex cancers. Alliance of Dedicated Cancer Centers member hospitals employ physicians who are sub-specialized in specific types of cancers, which allows us to effectively treat the most complex cases.

MYTH: Physician practices offer the same treatments and services as Dedicated Cancer Centers.

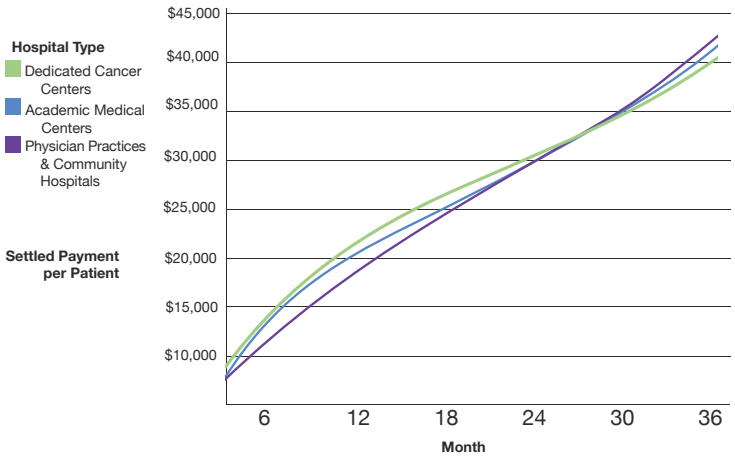
FACT: Treatments and services at Dedicated Cancer Centers, along with National Cancer Institute (NCI)-designated Comprehensive Cancer Centers, are not typical of community oncology practices; therefore, it is inaccurate to say that the care that we provide is "the same" as care provided in the community oncology setting.

- ADCC member hospitals have led the movement of cancer treatment to outpatient settings. In fact, ADCC member hospitals use significantly less inpatient days than community/physician practices, leading to a better quality of life for patients and lower total costs of treating the patient. In 1996, outpatient payments represented 25% of Dedicated Cancer Centers' overall payments from Medicare while inpatient payments were 75%. By 2012, that had almost reversed resulting in 66% of those payments coming from outpatient where the vast majority of our cancer is now provided.
- In our outpatient settings we provide care that is substantively different from physician offices. Patients have access to:
  - A team of subspecialists in medical oncology, radiation oncology, and surgery;
  - Trained oncology nurses;
  - Pharmacists and pharmacy IT systems capable of providing complex chemotherapy regimens safely;
  - Other supportive services such as in mental health, rehabilitation, nutrition and others;
  - Clinical trials and innovative treatments; and
  - Sub-specialty pathologists and radiologists who quickly and accurately identify the staging and progress of the cancer leading to the most appropriate diagnosis and treatment.
  - New subspecialties in oncocardiology, dermatology and integrative therapies developed at our centers that focus only on cancer and can more effectively and efficiently treat patient side effects in those areas.

MYTH: Patient care at Dedicated Cancer Centers cost significantly more than at physician practices.

FACT: When looking at the total cost of care for patients, ADCC's superior outcomes come at no greater cost than other hospitals. Our analysis of Medicare patients over the full course of their chronic condition demonstrates that Dedicated Cancer Centers provide superior outcomes at a total cost that is comparable to community physicians/hospitals. While community physicians may provide care at a lower unit cost, they bring patients to their offices more frequently and use more infusions than Dedicated Cancer Centers for the same types of cancer. In addition, they admit patients to the hospital more frequently than Dedicated Cancer Centers. These differences cost the patient more in co-pays and cost the Medicare program millions of dollars.

Total Cost of Care for a Medicare Patient



Includes only patients surviving for three years.