

September 12, 2013

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Reid and Minority Leader McConnell:

On behalf of the undersigned organizations, we are writing to express our opposition to the proposal in the President's FY 2014 Budget to exclude radiation therapy from the in-office ancillary services (IOAS) provision of the Stark physician self-referral law.

As you know, the IOAS provision allows physicians to provide integrated cancer care in multidisciplinary settings. Neither the Government Accountability Office (GAO) nor the Medicare Payment Advisory Commission (MedPAC) have recommended removing radiation therapy from the IOAS provision. Indeed, there is no evidence that overall utilization of radiation therapy has increased as a result of the migration of radiation therapy technologies into multidisciplinary practices. At the same time, there is ample evidence of significant payment cuts to radiation therapy. Last year's CY 2013 Physician Fee Schedule Final Rule included an estimated 7% cut to freestanding radiation therapy centers and total payments for freestanding radiation therapy center services have declined 18% over the last decade. On top of this, the CY 2014 Physician Fee Schedule Proposed Rule proposes **further** cuts to freestanding radiation therapy centers of 8%.

Because many physicians rely on the IOAS provision to provide multidisciplinary care, removing radiation therapy from IOAS, as proposed in the President's FY2014 budget, will lead to the dissolution of existing multidisciplinary, freestanding cancer clinics across the United States. Prohibiting physicians from working together to fight cancer in bona fide group practices will reduce access to integrated cancer care and push more care to the hospital setting.

The Medicare Payment Advisory Commission (MedPAC) has clearly indicated that altering the IOAS provision is not the appropriate strategy for radiation therapy, stating¹:

"The preferred long-term approach to address self-referral is to develop payment systems under which providers are rewarded for constraining volume growth while improving the quality of care."

We agree that fundamental payment reform is the most appropriate policy to pursue. As such, we support well-structured reforms, such as bundled payments, which would de-link reimbursement for radiation therapy services from the current "fee-for-service" model. Such reforms also should include improved quality of care initiatives through policies such as adherence to guidelines and registry reporting.

¹ Medicare Payment Advisory Commission, June 2011 Report to Congress

We look forward to working with you to craft legislation to ensure access to freestanding cancer care for seniors fighting cancer and all Americans.

Sincerely,

21st Century Oncology
Association of Freestanding Radiation Oncology Centers
Genesis Healthcare Partners
Large Urology Group Practice Association
The US Oncology Network
South Florida Radiation Oncology
UPMC CancerCenter
Vantage Oncology

Cc:

Members of the Senate Finance Committee