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October 7, 2010

The Honorable Harry Reid
United States Senate
Washington, DC 20510

RE: Impact of Cuts to Medicare Physician Reimbursement on Patient Access

Dear Senator Reid:

National Patient Advocate Foundation (NPAF) is the voice for millions of patients served by our companion organization, Patient Advocate Foundation (PAF), who have sought care after a diagnosis of a chronic, debilitating or life-threatening illness. On behalf of those patients who encounter obstacles in accessing health care daily and whose case details are documented in a comprehensive database maintained by PAF, we strongly urge Congress to oppose cuts in Medicare physician reimbursement that negatively impact access to care generally, and especially cancer care.

The advocacy activities of NPAF are informed and influenced by the experience of patients who seek assistance from PAF, which provides professional case management services to patients with chronic, debilitating or life-threatening conditions. In fiscal year July 1, 2009 – June 30, 2010, PAF resolved 64,188 patient cases and received more than four million additional inquires from patients nationally. The total of closed cases since PAF was founded in 1996 is more than 500,000. In this fiscal year, PAF noted an increase in the number of patients whose site of care shifted from physician practices to hospital outpatient care. As physician reimbursement has remained unstable, practices are denying treatment to Medicare patients in multiple regions of the country.

The Sustainable Growth Rate (SGR) formula used to determine physician reimbursement under Medicare needs to be replaced with a mechanism to assure that physicians are adequately compensated for providing care to Medicare patients. Otherwise, increasing numbers of Medicare beneficiaries will be unable to access care as more physicians decline to accept Medicare patients. Congress has repeatedly enacted short-term patches to delay the impact of the formula. The latest patch expires on November 30, 2010, when physician payments, absent Congressional action, will be reduced 23.5 percent. An additional 6.5 percent reduction is scheduled to take effect on January 1, 2011. We encourage Congress to enact a payment update delaying the implementation of these SGR cuts through the end of 2011. That should allow sufficient time for Congress to develop a permanent solution to this problem.

PAF has documentation of 172 medical practices that have closed over the last three years in response to continuing Medicare reimbursement difficulties. States with closures include AL, CO, CT, FL, GA, MA, MD, MS, NC, NJ, NM, NV, NY, SC, TX, UT, VA, WV and WY. Other practices have reported struggling financially, being sold to hospitals, other practices or corporations with additional practices referring ALL chemotherapy and drug administration to the hospital setting or other site of care due to reimbursement, financial risk and patient out-of-pocket exposure. In particular, many community based oncology practices, where 84 percent of all cancer care is being delivered, are closing as they lose money on the most commonly used drugs for cancer care and increasingly refer patients to hospital settings.

Eighteen percent of the patients served last year by PAF were Medicare patients. These patients have mounting concerns that they could be at risk of not having a physician as evidenced by their outreach to PAF case managers serving this population. Eighty-eight percent of these seniors have household income below $35,000 annually as reported in PAF's *Patient Data Analysis Report.* Any displacement becomes a major obstacle to care.

The proposed one percent cut for cancer care in the 2011 Physician Fee Schedule, reductions in medical imaging reimbursement, and the inclusion of the prompt pay discount in the calculation of the average sales price for drugs only compound the existing problem of inadequate Medicare physician reimbursement and elevate the concern of the patients we serve about continued access to oncology services. Almost seventy-seven percent of PAF's patients have a cancer diagnosis.

In 2005, NPAF commissioned a Geographic Access to Care study as part of its Global Access Project. This study was published by researchers at the University of North Carolina and summarized the distribution of cancer patients and cancer care providers across regions and population types, paying special attention to potential differences in access to care that might be related to rural location, race, ethnicity or low-income status. The study, which can be found at www.npaf.org, found that:

"Forty-five percent of all rural counties in the study states have no oncology service providers at all – neither a hospital nor a hematology or medical oncologist….Nearly one-fourth of the urban counties also have no cancer care providers….Eighteen percent of rural counties have hospitals that report providing oncology services, yet there are no oncology physicians located within the county according to the CMS files."

Congress needs to assure that physicians are adequately compensated for providing care to Medicare patients. Otherwise, increasing numbers of Medicare beneficiaries will be unable to access care as more physicians decline to accept Medicare patients. This problem will be most acute, as noted above, in rural areas and one-fourth of all urban counties.

Respectfully submitted,

Nancy Davenport-Ennis
CEO and President

cc: Grayson Fowler
Executive Vice President of Government Affairs