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AACI Rejects Administration's Proposal to Cut Reimbursement to Cancer Hospitals

The Association of American Cancer Institutes (AACI) opposes the Centers for Medicare and Medicaid Services (CMS)' Medicare Programs: Hospital Outpatient Prospective Payment Systems rule, released on November 1. The rule will cut hospital 340B reimbursement from average sales price (ASP) plus 6 percent to ASP minus 22.5 percent.

The administration's decision will impact those most in need: patients. Nearly 1.7 million Americans will be diagnosed with cancer in 2017 and 600,000 will die of the disease. AACI cancer centers and their regional community-based networks, including those in rural areas, provide care for an estimated 700,000 newly diagnosed patients with cancer, representing as much as 40 percent of the nation's cancer burden. These centers of excellence provide state of the art treatments for cancer, operate to the highest standards, and are recognized for their scientific acumen and commitment to patient care.

AACI cancer centers provide exceptional care to patients and their families, improving patient outcomes and health care. The 340B Drug Pricing Program has increased cancer centers' ability to serve lower income and underserved patients, without absorbing exorbitant drug costs. The 340B program has given hope to patients seeking cures and helped them avoid financial ruin.

CMS' decision to cut reimbursement to hospitals participating in the 340B program particularly threatens to derail access to lifesaving treatments and therapies for uninsured and underserved patients.

"The 340B program was designed to support underserved populations," said AACI President Dr. Stanton Gerson. "The sudden withdrawal of reimbursement will harm patient care and access as well as damage the program that benefits our patients."

Prior to the rule's release, CMS indicated that a change was needed to prevent hospital abuse of the program. However, CMS' decision will do little to deter such abuse and will increase out-of-pocket costs patients incur for non-drug Medicare Part B benefits.

AACI urges Congress to reject CMS' ill-advised policy. Pursuing such a policy will come at the expense of patient's well-being.

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The Association of American Cancer Institutes (AACI) comprises 97 premier academic and freestanding cancer research centers in the U.S. and Canada. AACI is dedicated to reducing the burden of cancer by enhancing the impact of the leading academic cancer centers.