Association of American Cancer Institutes

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August 20, 2026

Mehmet Oz, MD
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Blvd.
Baltimore, MD 21244

RE: Medicare Program: Hospital Outpatient Prospective Payment and Ambulatory Surgical Center Payment Systems (CMS-1850-P, RIN 0938-AV83)

Dear Administrator Oz,

The Association of American Cancer Institutes (AACI) is the only membership association dedicated to academic cancer centers, representing more than 100 premier academic and freestanding cancer centers in the United States and Canada.

AACI member institutions conduct a substantial share of the nation's cancer research, clinical trials, and workforce training. We appreciate the opportunity to comment on CY 2027 Hospital Outpatient PPS Policy Changes and Payment Rates and Ambulatory Surgical Center Payment System Policy Changes and Payment Rates (CMS-2026-2344), and to offer the following recommendations on provisions that could affect access to cancer care.

AACI is concerned that the proposed CY 2027 OPPS update does not keep pace with the sustained increases cancer centers face in labor, pharmaceuticals, supplies, and other operating costs. Academic cancer centers and their affiliated outpatient departments furnish highly specialized, resource-intensive care to patients with increasingly complex needs. A payment update that fails to reflect those realities increases the impact of other proposed reductions in this rule and may ultimately threaten access to NCI-Designated Comprehensive Cancer Center services.

Expanding Site-Neutral Payments

Site-neutral payment policies intended to improve health care affordability may unintentionally undermine hospitals and Hospital Outpatient Departments (HOPDs) that serve some of the nation's higher-acuity patients.

Hospitals and HOPDs care for a disproportionate share of individuals who are low income, uninsured or underinsured, or living in rural and medically underserved communities.[1] Cancer centers operate extensive HOPD networks, bringing specialized oncology care closer to where patients live and work. For many medically complex patients, these HOPDs are an essential source of comprehensive cancer care, and their presence is critical to maintaining continuity of care for patients facing barriers such as inadequate transportation and unstable housing.

AACI is concerned about the CMS proposal to further expand site-neutral payment policies to services furnished in excepted off-campus HOPDs. AACI is specifically concerned with the proposal to apply a Physician Fee Schedule (PFS)-equivalent rate to certain services without contrast furnished in excepted off-campus HOPDs. Treating the physician office rate as the appropriate benchmark does not account for the distinct cost structure, staffing, compliance, readiness, and patient acuity differences associated with hospital outpatient care. In oncology, imaging is not incidental; it is central to diagnosis, staging, treatment planning, response monitoring, and evaluation of complications.

This proposal does not adequately account for the distinct role hospitals and HOPDs play compared with independent physician offices. Reducing reimbursement to HOPDs that disproportionately serve these populations could exacerbate existing disparities in cancer prevention, diagnosis, and treatment. Delayed diagnosis also substantially increases health care costs. For example, treatment for breast cancer diagnosed at Stage IV can cost more than twice as much as treatment for the same cancer diagnosed at Stage I.[2] HOPDs provide the infrastructure, multidisciplinary services, and comprehensive support required to care for this medically and socially complex patient population. AACI recommends that CMS reconsider the proposed expansion of site-neutral payment policies and adopt a payment approach that reflects the higher-acuity patients, specialized infrastructure, and broader community responsibilities of HOPDs.

AACI also urges CMS not to assume that differences in utilization patterns between HOPDs and physician offices are, by themselves, evidence of unnecessary care or inappropriate payment incentives. Site of service is influenced by patient complexity, referral patterns, service availability, care coordination needs, and the capacity to manage complications. These considerations are especially important in oncology, where patients often require multidisciplinary support and rapid access to hospital-based services.

340B Reimbursement

Reducing reimbursement for 340B-acquired drugs would strain hospitals that rely on the 340B Drug Pricing Program to sustain care for higher-acuity patient populations. These hospitals provide high levels of care to uninsured patients and those covered by public programs that typically pay less than the cost of care.[3] As a result, savings generated through the 340B program help hospitals maintain essential services while continuing to care for patients regardless of their ability to pay. 340B hospitals provide approximately 77 percent of all Medicaid hospital care and 67 percent of the

[1] https://www.aha.org/comparison-care-hospital-outpatient-departments-and-independent-physician-offices
[2] https://link.springer.com/article/10.1186/s12913-022-08457-6
[3] https://www.340bhealth.org/files/Dobson_Final_Report_February_2025.pdf

nation's unpaid care, supporting cancer treatment, behavioral health, specialty clinics, and other crucial services that often operate at a loss.[4]

Hospitals use 340B savings to address the unique needs of the patients they serve. For eligible cancer centers, this can include free or deeply discounted prescription medications for uninsured and underinsured patients; infusion centers in underserved areas; cancer screening and community health education; and medication therapy management.[5] This flexibility allows hospitals to direct resources where they will have the greatest impact.

CMS proposes to reduce reimbursement for 340B-acquired drugs from Average Sales Price (ASP) + 6 percent to ASP − 33.4 percent. While CMS proposes a corresponding budget-neutral adjustment that would increase OPPS payments for non-drug items and services, AACI is concerned that this adjustment would not fully offset the reimbursement reduction for many 340B hospitals, potentially limiting their ability to maintain services and diminishing patient access to care. AACI urges CMS to reconsider the proposed reimbursement reduction for 340B-acquired drugs and adopt a payment policy that preserves hospitals' ability to reinvest 340B savings into patient care, community services, and access to comprehensive cancer treatment.

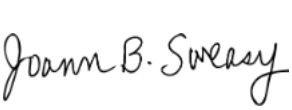
Operational Burden of New Provider-Based Requirements

AACI also encourages CMS to provide sufficient operational guidance and implementation time for new provider-based attestation, National Provider Identifier (NPI), and enrollment requirements applicable to off-campus HOPDs. For cancer centers with multiple outpatient locations, these changes will require significant systems, billing, compliance, and workflow updates. CMS should ensure that otherwise compliant departments do not experience payment disruption because of technical or administrative implementation issues.

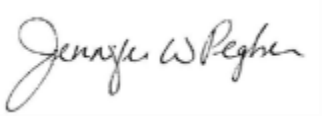
Conclusion

AACI appreciates the opportunity to comment on the proposed CMS Hospital OPPS rule. AACI is particularly concerned about the cumulative impact these simultaneous payment reductions could have on academic cancer centers and their ability to sustain comprehensive oncology services. As CMS finalizes the rule, we respectfully urge continued consideration of the concerns and recommendations outlined above. Preserving policies that support hospitals and HOPDs is critical to maintaining access to cancer care and other essential health services in communities across the country. We appreciate your consideration and look forward to continued engagement with CMS on these important issues.

Sincerely,



Joann B. Sweasy, PhD
President, AACI



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Executive Director, AACI

[4] https://www.340bhealth.org/files/340B_and_Low_Income_Populations_Report_2022_FINAL.pdf
[5] https://www.340bhealth.org/files/340B-Health-Survey-Report-2019-FINAL.pdf