



**Congress of the United States
House of Representatives**

June 1, 2011

Dr. Donald Berwick
Administrator
Centers for Medicare & Medicaid Services (CMS)
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: Outpatient Payment Relief for Dedicated Cancer Centers

Dear Administrator Berwick:

As you develop the calendar year (CY) 2012 Medicare Hospital Outpatient Prospective Payment System (OPPS) Proposed Rule, we are writing on behalf of the dedicated cancer centers (Cancer Centers) located in our states that provide high quality, high value treatment to the cancer patients in our states and across the country, to urge you to ensure proper payment for the outpatient care provided by these important institutions. CMS has already concluded in its study, as required by section 3138 of the Affordable Care Act, that the Cancer Centers face higher outpatient costs than other hospitals due to their concentrated, resource intensive treatment of cancer. Due to unique and significant advances in cancer care (many of which are attributable to the Cancer Centers), 60 percent of the Cancer Center's Medicare services are provided in the outpatient setting, which is the preferred setting for patients and most cost effective for the Medicare program. As CMS develops this year's Proposed Rule, we request that the agency remedy the concerns of the CY 2011 OPPS Proposed Rule (outlined below) to ensure the sustainability of these hospitals. As you know, Congress has protected these unique Cancer Centers under Medicare by exempting them from the inpatient PPS and providing them with hold harmless protection under the OPPS. Unfortunately, this hold harmless protection is no longer protecting these institutions from catastrophic losses and we implore CMS to act swiftly to address this problem.

In CMS's CY 2011 OPPS Proposed Rule, the agency proposed an adjustment to each of the Cancer Center's ambulatory payment classification (APC) payments that would bring each Cancer Center to the payment-to-cost ratio (PCR) of other hospitals (i.e., 87 percent). Unfortunately, CMS's proposed adjustment did not adequately address the issue. The Cancer Centers would continue to lose over \$100 million per year; losses that would only continue to grow each year as cancer treatment continues to increase in the outpatient setting. We request that for the CY 2012 OPPS Proposed Rule, CMS use a methodology to establish parity with other hospitals that ensures the losses per unit of the Cancer Centers are equivalent to the losses per unit of other hospitals. This methodology would provide the Cancer Centers with a PCR benchmark of 92 percent, which is more appropriate than the one proposed last year.

Because CMS's approach in the CY 2011 OPSS Proposed Rule would make an adjustment to the APC payments of the Cancer Centers, the agency would disproportionately impact beneficiaries and other hospitals. As such, we encourage CMS to reconsider whether it has the existing authority to make the adjustment for Cancer Centers in a way that would minimize the impact on other hospitals and eliminate or minimize the impact on beneficiaries.

We look forward to CMS's publication of an improved CY 2012 OPSS Proposed Rule.

Sincerely,



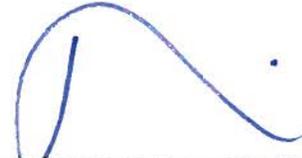
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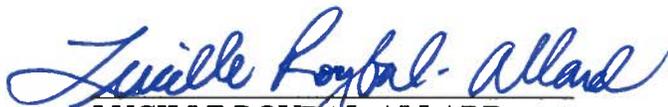
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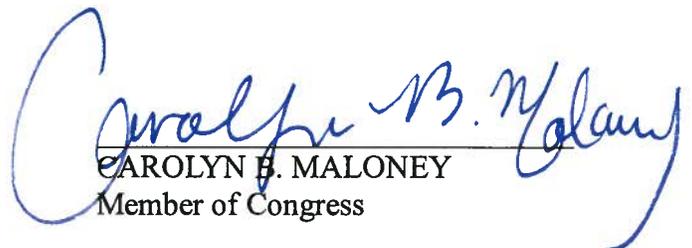
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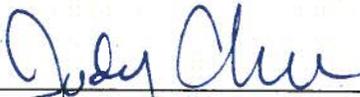
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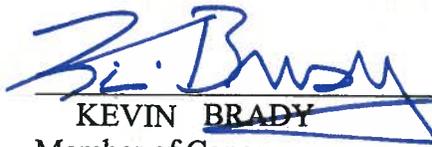
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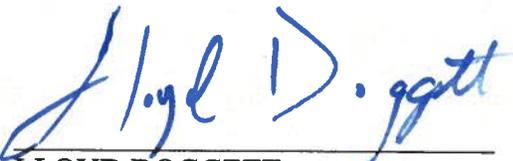
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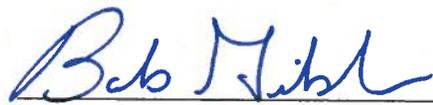
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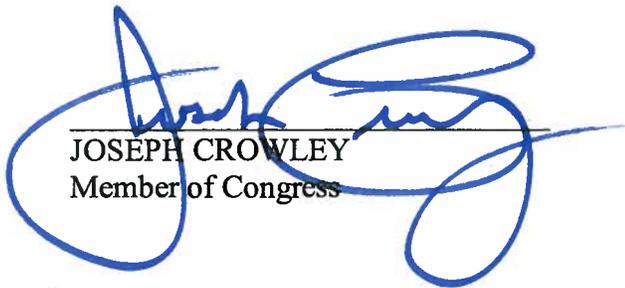
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