

# ASSOCIATION OF NORTHERN CALIFORNIA ONCOLOGISTS

State/Regional Affiliate, American Society of Clinical Oncology • Member, Association of Community Cancer Centers  
Member, National Coalition for Cancer Survivorship

## President

L. Wayne Keiser, M.D.  
Santa Rosa

## Vice President

Jeffrey Cronk, M.D.  
Antioch

## Secretary

Bradley Ekstrand, M.D.  
San Mateo

## Treasurer

Daniel P. Mirda, M.D.  
Napa

## Board of Directors

Richard A. Bohannon, M.D.  
San Francisco

Helen K. Chew, M.D.  
Sacramento

Norman Cohen, M.D.  
Oakland

David Gandara, M.D.  
Sacramento

Robert Robles, M.D.  
Pleasant Hill

Sandy Srinivas, M.D.  
Stanford

Margaret Tempero, M.D.  
San Francisco

Wei Wang, M.D.  
San Francisco

## Executive Director

José Luis González

P.O. Box 151109  
San Rafael, California  
94915-1109  
Voice: (415) 472-3960  
FAX: (415) 472-3961  
execdir@anco-online.org  
www.anco-online.org

October 6, 2011

The *Honorable* Xavier Becerra  
*United States House of Representatives*  
1226 Longworth House Office Building  
Washington DC 20515  
(sent via FAX 202-225-2202)

Dear *Congressman* Becerra:

The *Association of Northern California Oncologists* (ANCO) represents more than 400 hematologists/oncologists in California. Many of these oncologists treat cancer patients in the community settings in small oncology practices.

ANCO appreciates the hard work you are doing as a member of the *Joint Select Committee on Deficit Reduction* and applaud your willingness to tackle these difficult fiscal issues. However, ANCO is very concerned about any discussion to include \$3B in cuts to Medicare Part B reimbursement for drugs and biologics that fight cancer and other serious diseases. We believe these potential additional cuts to drug reimbursement, if enacted, would adversely affect cancer care in the United States.

As you know, *Congress* reformed Medicare Part B drug reimbursement as part of the *Medicare Modernization Act* (MMA). Payment amounts for drugs and biologics were dramatically reduced by the MMA. Payments are now set using the Medicare's *Average Sales Price* (ASP) system, which includes the actual prices paid by physicians and other drug purchasers. Medicare ASP is a market-driven reimbursement mechanism that has driven down Medicare costs. In fact, the *Congressional Budget Office* estimated that Medicare would save almost \$16B over 10 years by reducing payments for Part B drugs using the current ASP system compared to the old reimbursement system. The *Medicare Payment Advisory Commission* (MedPAC) that advises *Congress* on Medicare matters said that ASP has resulted in "substantial price savings for Medicare on nearly all drugs and those payment rate changes drove decreased spending."

Enacting additional cuts to ASP will worsen an already troubling access problem, as community oncology practices are already struggling even as demand for cancer care is now starting to exceed the supply of oncologists. According to one report, in the last 3 1/2 years alone, 199 cancer clinics have closed and 369 practices, with multiple clinic locations, are struggling financially. And it is predicted that over the next 10 years there will be an even greater oncologist shortage. Enacting \$3B in cancer cuts will only exacerbate this problem.

The United States has the best cancer care delivery system in the world. Eighty-four percent of Americans receive quality, compassionate care in the community cancer setting. It is imperative that *Congress* continues to ensure that cancer patients across the nation can continue to have access to lifesaving medical treatments in their communities.

It is for this reason that we urge you not to sacrifice cancer care while seeking deficit reduction solutions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. L. González', with a long, sweeping flourish extending to the right.

José Luis González  
*ANCO Executive Director*