

ONE HUNDRED THIRTEENTH CONGRESS
Congress of the United States
House of Representatives
COMMITTEE ON ENERGY AND COMMERCE
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June 11, 2014

Dr. Barry Brooks
Chairman
Pharmacy and Therapeutics Committee
The U.S. Oncology Network
7777 Forest Lane, D-400
Dallas, TX 75230

Dear Dr. Brooks:

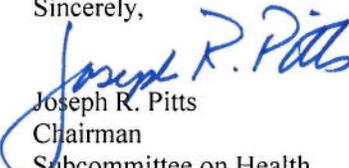
Thank you for appearing before the Subcommittee on Health on Wednesday, May 21, 2014, to testify at the hearing entitled "Keeping the Promise: Site of Service Medicare Payment Reforms."

Pursuant to the Rules of the Committee on Energy and Commerce, the hearing record remains open for ten business days to permit Members to submit additional questions for the record, which are attached. The format of your responses to these questions should be as follows: (1) the name of the Member whose question you are addressing, (2) the complete text of the question you are addressing in bold, and (3) your answer to that question in plain text.

To facilitate the printing of the hearing record, please respond to these questions with a transmittal letter by the close of business on Wednesday, June 25, 2014. Your responses should be mailed to Sydne Harwick, Legislative Clerk, Committee on Energy and Commerce, 2125 Rayburn House Office Building, Washington, D.C., 20515 and emailed in Word format to Sydne.Harwick@mail.house.gov.

Thank you again for your time and effort preparing and delivering testimony before the Subcommittee.

Sincerely,


Joseph R. Pitts
Chairman
Subcommittee on Health

cc: The Honorable Frank Pallone, Jr., Ranking Member, Subcommittee on Health

Attachment

Attachment—Additional Questions for the Record

The Honorable Gus Bilirakis

1. I hear from oncologists in my district and other parts of Florida who are struggling due to the lack of payment parity with hospitals and continued sequester payment cuts to cancer drugs. I am very concerned that the consolidation of cancer care is driving up costs for Medicare and what this means for seniors on fixed incomes. A recent report by the Institute for Healthcare Informatics states, “sites of care that increase patient contribution and cost sharing may actually lead to a significant increase in the total cost of care.” Stakeholders are questioning the sustainability of rapid growth among hospital outpatient facility settings for oncology drug administration. How can we preserve choices so that our seniors have options when seeking treatment?
2. In your testimony, you mentioned that hospitals receive Medicare payments to offset bed debt from non-payment, but that physician offices do not receive payments. How much bad debt do you deal with and how does that affect your business?
3. If a community oncology practice is acquired by a hospital, they can reopen the same facility as a Hospital Out-Patient Department. A patient could go to the same facility, see the same physicians, use the same equipment for the same treatment, but receive a different bill—an increased bill—from the center. This could be a significant sticker shock for the beneficiary. Would you talk about how much of an increase in cost the beneficiary could see?

The Honorable Gene Green

1. My understanding is that we are talking about whether there is a need for site neutrality as it relates to payment for the administration of cancer drugs, not payment for the cost of drugs themselves. Is it not true that Medicare pays hospitals and private practices the same rate for the cost of their drugs? Given that the 340B program is about discounts on the cost of drugs, and not payment for the administration of drugs, it seems to me that this program would have nothing to do with site neutrality.

Do you have any evidence that 340B hospitals are buying up community based oncology practices at any greater rate than non 340B hospitals? How much uncompensated care does the average community based oncology practice provide as compared to the average 340B hospital?