

July 11, 2018

The Honorable Greg Walden  
Chairman  
Energy and Commerce Committee  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Michael Burgess, MD  
Chairman  
Energy and Commerce Subcommittee on Health  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Frank Pallone  
Ranking Member  
Energy and Commerce Committee  
2322A Rayburn House Office Building  
Washington, DC 20515

The Honorable Gene Green  
Ranking Member  
Energy and Commerce Subcommittee on Health  
2322A Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Walden and Ranking Member Pallone, Chairman Burgess and Ranking Member Green,

On behalf of The US Oncology Network, thank you for your continued efforts to protect the viability of the federal 340B drug discount program by exploring meaningful reforms to enhance program oversight, transparency and accountability. We strongly support this committee's approach to having a thoughtful and collaborative discussion aimed at improving the fundamentals of this program. We are hopeful that commonsense reforms will emerge from this dialogue that preserve the program while assessing the impact on community oncology practices across the country.

The US Oncology Network (The Network) is one of the nation's largest and most innovative networks of community-based oncology physicians, treating more than 850,000 cancer patients annually in more than 400 locations across more than 25 states. The Network unites over 1,400 like-minded physicians around a common vision of expanding patient access to the highest quality, most cost-effective integrated cancer care to help patients fight cancer, and win.

Our dedication to providing high-quality, integrated cancer care is demonstrated by the sixteen oncology practices within The Network, encompassing roughly 900 providers, that have been selected to participate in the Centers for Medicare & Medicaid Services' Oncology Care Model (OCM). These practices have accepted the challenge of participating in the pilot with the shared goal of improved patient outcomes and cost savings for the Medicare program. We embrace innovation in both treatment options and care delivery, and we are committed to working with you and your colleagues toward policies that enable physicians to practice medicine so that patient outcomes are improved, rather than compromised.

The Network supports the underlying goal of the 340B drug discount program which is largely aimed at stretching scarce federal resources to benefit indigent patients in critical access areas. However, we believe the program's recent growth may be contributing to the consolidation of community oncology practices. Based on an internal study from the Community Oncology Alliance<sup>1</sup>, it is estimated that roughly 658 community

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<sup>1</sup> 2018 Community Oncology Alliance, Practice Impact Report. Full Report available at:  
<https://www.communityoncology.org/downloads/pir/COA-Practice-Impact-Report-2018-FINAL.pdf>

cancer practices have been acquired by or affiliated with hospitals since 2008, with a significant portion of those transactions believed to be leveraged with 340B benefits. This has resulted in a shift in the site of service for chemotherapy administration from the physician-office setting to other, more-costly outpatient settings.

In fact, 10 years ago over 80% of cancer care was delivered in the community-based setting – today that number is closer to 50%<sup>2</sup>. This trend not only creates patient access issues, but often results in higher healthcare and patient out-of-pocket costs. The Network is committed to ensuring all cancer patients receive high quality, clinically appropriate care. We firmly believe in the value of community-based providers, who are at the front line of care delivery, providing local solutions to meet the needs of their patients.

For policymakers and regulators to properly assess the scope and value of the 340B program, The Network supports increased transparency through public reporting on meaningful data that provides additional clarity on a covered entity's patient mix, savings associated with enrollment, revenue associated with 340B-eligible outpatient drugs/services and charity care or patient services underwritten by 340B proceeds. We also encourage the committee to consider separate detailed reporting of these transparency measures for off-campus outpatient facilities to ensure accurate savings and revenue data is understood for child sites that may have a different patient profile than that of the covered entity.

This data is an essential component for informed oversight and will provide an opportunity for eligible entities to demonstrate how they are using funds derived from the program to benefit patient care. To ensure overall program integrity, operability and proper analysis of the data submitted, Congress should further equip the Health Resources and Services Administration (HRSA) with the tools needed to sufficiently administer and refine the program.

On behalf of the nation's leading community cancer care providers, we appreciate your leadership on this issue and look forward to working with you to address the growth of the 340B drug discount program in an effort to lower out-of-pocket costs for patients and preserve patient access to community-based cancer care.

Sincerely,



Lucy R. Langer, MD, MSHS  
Chair, National Policy Board  
The US Oncology Network

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<sup>2</sup> Milliman Report, April 2016: Cost Drivers of Cancer Care: A Retrospective Analysis of Medicare and Commercially Insured Population Claim Data 2004-2014