Proposed 2016 Medicare physician cuts threaten access to community-based radiation therapy

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The American Society for Radiation Oncology (ASTRO) is concerned about proposed additional payment cuts to radiation therapy detailed in the Centers for Medicare and Medicaid Services' (CMS) proposed Medicare Physician Fee Schedule (MPFS), released July 8, 2015, which will take effect on January 1, 2016. Freestanding centers estimate that the combined impact of the Medicare proposals would result in a five to seven percent reduction in payment for radiation oncology services at community-based centers, although the cuts will vary and could be more than 10 percent for some freestanding centers, depending upon their patient population.

The proposed CY 2016 MPFS includes several significant adjustments for radiation oncology care. The proposed changes include setting reimbursement values for newly created treatment codes for conventional radiation therapy techniques and intensity modulated radiation therapy; increasing the assumed equipment utilization rates for radiation treatment delivery, which has the effect of reducing reimbursement for cancer treatment; and removing from the direct practice expense formula the costs associated with important equipment, most notably on-board imaging, which is critical to ensuring safe and accurate radiation treatments. ASTRO represents radiation oncology physicians practicing in hospitals and community-based clinics and will submit comments and recommendations in a letter to CMS by September 8, 2015.

"The implementation of these three dramatic policy changes at once represents too much, too fast for community-based clinics to absorb and could have devastating effects, particularly for those centers in rural and underserved areas. ASTRO and its members are very concerned that the cumulative impact of recent significant cuts, totalling about 25 percent during the past six years, plus these new reductions could seriously threaten access to care for many cancer patients by potentially forcing clinics to close or limit their services," said ASTRO Chair Bruce G. Haffty, MD, FASTRO.

Preliminary data from ASTRO's approximately two-week survey, from July 9 through July 20, of the almost 1,400 community-based radiation therapy centers in the U.S. indicates that with reimbursement cuts of five to 10 percent, nearly 30 percent of the practices indicated they may have to close their doors; approximately 62 percent may have to consolidate practice locations; and an estimated 41 percent of practices may be forced to discontinue accepting patients covered by Medicare.

"ASTRO is asking Congress and CMS to work with radiation oncology stakeholders to significantly scale back the proposed changes to the equipment utilization rate assumption and to restore inclusion of the direct practice expenses involving image guidance. We look forward to working closely with
policymakers to protect patient access to safe and high-quality radiation therapy throughout the country," concluded Haffty.

Provided by American Society for Radiation Oncology