



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

For Immediate Release

Wednesday, August 30, 2006

Grassley says government needs to find a better way to improve care for cancer patients

WASHINGTON — Sen. Chuck Grassley said a final analysis by the Inspector General for the Department of Health and Human Services reveals that the Centers for Medicare and Medicaid Services may be using a demonstration project for questionable purposes and bilking taxpayers and individual Medicare beneficiaries in the process. Findings also indicate that the data that has been collected is duplicative and unreliable.

The Inspector General reviewed the cost and performance of Medicare's 2005 chemotherapy demonstration project. This project was initiated by the Centers for Medicare & Medicaid Services to collect information about the side effects of chemotherapy.

Grassley said he appreciated that Medicare officials are looking for ways to improve the quality of care available to cancer patients, but this particular effort "has not delivered results despite considerable Medicare resources and private dollars being spent."

The Inspector General found that unlike other demonstration projects which are typically geographically limited in scope, this project was open to all physicians and beneficiaries nationwide. The Centers for Medicare and Medicaid Services' budget for this project was \$300 million, which greatly exceeded the budget of the agency's next most expensive project of \$60 million.

Under the project, oncology physicians who administer chemotherapy for cancer treatment by either infusion or push methods received a \$130 payment from Medicare each time they reported to Medicare an assessment of patient levels of nausea, vomiting, pain and fatigue. The Inspector General concluded that \$130 was disproportionate to the effort involved in assessing these patient symptoms, which is already part of routine cancer care.

In addition, beneficiaries were subject to the usual 20 percent coinsurance, resulting in a \$26 payment by beneficiaries each time the physician billed for the demonstration services. The review further revealed that the Centers for Medicare and Medicaid Services paid \$17 million in error for such things as duplicate billings or for beneficiaries who did not have a cancer diagnosis.

In January of this year, the independent Medicare Payment Advisory Commission also questioned the validity of this demonstration project. MedPAC said that rather than test innovations, this demonstration project was used by CMS as a mechanism to increase payments

to physicians.

The Social Security Act gives the Department of Health and Human Services authority to conduct demonstrations to identify “more economical provision” and “more effective utilization of services.”

Grassley urged the Centers for Medicare and Medicaid Services to find a more effective way to improve the quality of care available to cancer patients last fall, based on preliminary findings of the Inspector General. Grassley said the final report will be the basis on which he’ll undertake a comprehensive review of demonstration projects at the Centers for Medicare and Medicaid Services.

The current OIG report is posted alongside this news release at <http://finance.senate.gov>.

Here is a copy of Grassley’s press release from last fall.

For Immediate Release

Thursday, October 13, 2005

Grassley says project to help cancer patients falls short, must be fixed

WASHINGTON — Sen. Chuck Grassley said a government-sponsored project that is supposed to help cancer patients by collecting information about the side effects of chemotherapy has failed to benefit patients, even while directly charging patients whose physicians participate in the program and depleting Medicare program dollars.

Grassley said Medicare officials need to find a more effective way to improve the quality of care available to cancer patients.

Grassley said he based his call to revamp this particular effort on an evaluation he recently requested from the Inspector General for the Department of Health and Human Services. In preliminary findings the Inspector General reported, “it appears that assessing chemotherapy patients’ levels of nausea and/or vomiting, pain, and fatigue was already part of the routine care of chemotherapy patients prior to the demonstration.” The Inspector General also found that the project’s haphazard data collection process produced unreliable or incomplete results.

The project, “Demonstration of Improved Quality of Care for Cancer Patients Undergoing Chemotherapy,” cost cancer patients \$22 million out-of-pocket during the first six months of this year. It is estimated that total costs in 2005 to patients and the Medicare program will be \$300 million.

Grassley spelled out his concerns and urged the demonstration project to be fixed or resources to be redirected in a letter sent today to President Bush. Grassley also shared the new findings of the Inspector General with other senators in a Dear Colleague letter. The text of both letters follows this news release. The Inspector General’s report to Grassley is attached in a pdf file. Also attached is a June 2005 letter from 39 senators to President Bush in support of the demonstration project as currently designed.

Grassley is Chairman of the Senate Committee on Finance, which is responsible for oversight of the Medicare program, in addition to Medicare legislation.

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October 13, 2005

President Bush
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear Mr. President:

I am writing to express great concern about the cost of a Centers for Medicare and Medicaid Services' (CMS) demonstration, "Demonstration of Improved Quality of Care for Cancer Patients Undergoing Chemotherapy, " to the Medicare program and, more importantly, to its beneficiaries. CMS's demonstration may be failing the patients it was intended to serve. It appears that additional money is coming out of the Medicare program and cancer patients' pockets without any new benefit to the patients.

Under this demonstration, CMS provides a \$130 allowance each time a chemotherapy provider reports on a Medicare patient's levels of nausea and/or vomiting, pain, and fatigue—three conditions commonly experienced as symptoms of cancer or side effects of cancer treatment. This demonstration project is open to all office-based chemotherapy providers and requires no formal enrollment. Medicare beneficiaries are liable for a co-payment of \$26 each time their provider bills the demonstration codes in conjunction with their chemotherapy. Beneficiary liability for the demonstration during the first 6 months of 2005 was \$22 million. CMS estimates that Medicare and its beneficiaries will spend \$300 million under this demonstration project in 2005.

On August 12, 2005, I requested the Office of Inspector General (OIG), Department of Health and Human Services to evaluate the economy and effectiveness of this demonstration. Attached is the OIG's response for your consideration. See Attachment 1. I am extremely troubled by the OIG's preliminary findings regarding the project. According to the OIG, "it appears that assessing chemotherapy patients' levels of nausea and/or vomiting, pain, and fatigue was already part of the routine care of chemotherapy patients prior to the demonstration." It's unnecessary and fiscally irresponsible to require patients to pay for services that are already covered as part of their routine care.

In addition, the oncologists and researchers interviewed by the OIG stated that the purpose of the assessments is to determine suitable interventions for the patients' symptoms of nausea and/or vomiting, pain, or fatigue. Yet, the OIG found that the demonstration does not collect data on the interventions used by oncologists to treat the symptoms, thereby limiting the usefulness of the demonstration data. Furthermore, because CMS is not mandating a specific approach to data collection, the OIG found that oncology practices have used different methods for conducting the demonstration assessments, raising questions about the reliability of the data submitted to CMS.

On June 29, 2005, 39 Senators signed a letter to you supporting an extension of CMS's demonstration through December 2006. In that letter, they stated, "Our shared goal should be to work together to ensure that all Americans have access to high-quality, affordable, and accessible cancer care." See Attachment 2. I believe that is an important goal, but we will not reach it by extending the status quo. It is critical that problems with the current demonstration be addressed quickly to ensure that public funds and patients' out-of-pocket expenses are spent effectively and efficiently. In particular, I ask that CMS work with the cancer community and other relevant stakeholders to identify ways to use money from the Medicare program and its beneficiaries to improve both quality and outcomes of care for cancer patients and achieve value for money spent.

Sincerely,
Charles E. Grassley
United States Senator
Chairman, Committee on Finance

cc: The Honorable Michael O. Leavitt
The Honorable Daniel R. Levinson
The Honorable Mark McClellan

October 13, 2005

Dear Colleague:

I am bringing to your attention issues and concerns that have been identified by the Office of Inspector General (OIG), Department of Health and Human Services regarding a one-year demonstration that was implemented by the Centers for Medicare and Medicaid Services (CMS) on January 1, 2005. Under this demonstration, chemotherapy providers are reimbursed \$130 each time they report on a Medicare patient's chemotherapy symptoms. Medicare beneficiaries are liable for a 20 percent co-payment of \$26 every time their provider bills the demonstration codes. According to the OIG, beneficiary liability during the first 6 months of the demonstration was \$22 million. CMS estimates that Medicare and its beneficiaries will spend \$300 million in 2005.

In August, I requested that the OIG conduct an evaluation of this demonstration. On September 8, 2005, the OIG responded with its preliminary findings, which I have attached for your consideration. I believe you will be as troubled as I am by these findings, which include the following:

Prior to the implementation of CMS's demonstration, chemotherapy providers were already assessing their patients' levels of nausea and/or vomiting, pain, and fatigue as part of routine care. Thus, these providers are being paid \$130 to simply forward the data that is already collected during a routine office visit.

The purpose of assessing patients' levels of nausea and/or vomiting, pain, and fatigue is to determine suitable treatments for these symptoms; however, data on what treatments providers are using to address the symptoms are not being collected by CMS. Thus, the usefulness of the

demonstration data may be limited.

Oncology practices are using different methods to assess patients' symptoms, which puts the reliability of the data they are collecting in question.

Attached is my letter to the President requesting that problems with the demonstration be addressed quickly. I am also asking CMS to find ways to use the money from Medicare and its beneficiary to improve the quality of care for cancer patients.

Sincerely,
Charles E. Grassley
Chairman, Committee on Finance