

ANCO FAX News

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INTRODUCTION

The *ANCO FAX News* focuses on ANCO's core activities—advocacy, clinical and professional education, membership benefits, and *Association* news. While membership mailings, FAX broadcasts, and ListServ postings continue, the *ANCO FAX News* summarizes this information in a regular forum of important news to members. Contact the ANCO office for additional information regarding any item published in the *ANCO FAX News* or to contribute items.

The *ANCO FAX News* is routinely sent to physician member practices and corporate member contacts. The next regular *ANCO FAX News* will be published on Friday, June 11th.

Comments on and contributions to the *ANCO FAX News* are always welcome and encouraged at ANCO, P.O. Box 151109, San Rafael, CA 94915-1109; Voice: (415) 472-3960; FAX: (415) 472-3961; jlgonzalez@aol.com.

ADVOCACY

[Editor's Note: ANCO meets regularly with national, regional, and statewide organizations to discuss issues of importance to oncology practices and people with cancer.]

We continually seek input from members on agenda items for these meetings. Send your issues to the ANCO office.]

ACCC, ASCO, and National Legislative & Regulatory Issues

[Editor's Note: ANCO is a member of the Association of Community Cancer Centers (ACCC) and a state/regional affiliate of the American Society of Clinical Oncology (ASCO). We regularly participate with these organizations on matters of national importance to oncology practices.]

ASCO continues to work towards ensuring that people with cancer have access to quality cancer care in the community. Here are some of their current activities with respect to the *Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (DIMA)*:

- A *State/Regional Affiliate Presidents Summit* in Chicago focused on ASCO's legislative priorities and grassroots

**There is information in the
ANCO FAX News
for every member of your practice
or organization.
Pass it along!**

- ☐ Physician Members
- ☐ Nurse & Office Managers
- ☐ Office Staff
- ☐ Colleagues & Representatives

The *Association of Northern California Oncologists* (ANCO) is an association of medical oncologists and hematologists dedicated to promoting high professional standards of oncology by providing a forum for the exchange of ideas, data, and knowledge. The material contained in the *ANCO FAX News* is intended as general information for ANCO members. Because diagnostic, treatment, contracting, coding, and billing decisions should be made on a case-by-case basis, any such information contained in the *ANCO FAX News* may not apply in any given situation. Members are encouraged to contact their own consultants or advisors to obtain specific advice on matters relating to contracting, coding, and billing. The information contained in the *ANCO FAX News* should not be used as a substitute for such advice.

initiatives related to community-based oncology. Summit participants

☞ heard from former *Congresswoman* Susan Molinari (R-NY), about the state of affairs on *Capitol Hill* and how this will impact ASCO's ongoing efforts to reach out to *Members of Congress*.

☞ discussed outreach they are making to their local and national legislators and media (e-mail grassroots@asco.org or call (703) 299-1050 to let ASCO know about local efforts to protect community-based cancer care).

☞ heard from Ellen Stovall, *President* and *CEO* of the *National Coalition of Cancer Survivorship*, on how patient advocates are working to protect access to community-based cancer care.

☞ received media training that will enable them to participate in grassroots media outreach activities being planned for the coming months.

The feedback ASCO received from the attendees indicated the information provided at the meeting was valuable, and ASCO is looking forward to engaging the entire membership in its grassroots efforts.

- formation of a *Government Relations Council*, *Co-Chaired* by the ASCO *President* and Joseph Bailes, M.D., and comprised of a core group of volunteers who have special knowledge or skill in political action and advocacy or who have strategic relationships with national policymakers, as well as a patient advocate who is an ASCO member, to further enhance and coordinate public policy activities related to delivery of high-quality cancer care and a strong clinical research enterprise. The *Council* will serve as ASCO's primary resource for coordinating issue advocacy in *Congress* and the *Administration*.

ASCO filed comments with the *Centers for Medicare and Medicaid Services* (CMS) last week regarding the interim final rule on manufacturer's submission of average sales price (ASP) data. The comments outline

ASCO's concern about the lack of guidance from CMS on interpreting ASP and recommend that:

- CMS immediately release the projected 2005 payment rates for drugs and biologicals to assist in identifying possible problems as soon as possible;
- CMS issue detailed guidance for manufacturers on interpretation of the ASP reporting requirement, subject to public comment;
- CMS establish as a key principle of ASP reporting that, to the extent the available data are incomplete, the manufacturer's primary obligation is to make the most accurate possible estimate of current ASP;
- CMS interpret the statute in a way that will result in reported ASP being the most accurate possible statement of the actual ASP.

You can read ASCO's full comments at <http://cl.extm.us/?fe9713727465047b72-fe2c10737d640475771175>. Your comments are also important and can be sent on-line by visiting www.regulations.gov/agcy_centersformedicareandmedicaid/services.cfm, and scrolling down to *Medicare Program: Manufacturer Submission of Manufacturer's Average Sales Price (ASP) Data for Medicare Part B Drugs and Biologicals, Submit a Comment on this Regulation*. Send copies of your comments to your *Representatives* so that they understand the specific issues you face relative to declining Medicare reimbursement. The deadline for comments is June 7th.

CMA, MOASC, and State Legislative/Regulatory Issues

[Editor's Note: ANCO and the *Medical Oncology Association of Southern California* (MOASC) are members of the *California Medical Association's* (CMA) *House of Delegates* and *Council on Legislation*. ANCO and MOASC cooperate on several joint ventures and coordinate activities in the advocacy and membership benefit arenas. Each is represented at the *Board* meeting of the other.]

ANCO has joined other specialty societies and the CMA in supporting the *Health Insurance Act* (SB2) and opposing attempts to repeal this law. ANCO endorses the campaign to affirm

SB2 on the November 2004 ballot, and opposes threats to repeal SB2 by referendum. When fully implemented, SB2 would provide health and financial security to millions of Californians that now get coverage through their employer, expand coverage to another one million Californians, and ensure fairness to employers who provide such benefits but have to compete against those large employers that do not.

ANCO is cooperating with CMA in its survey of physician practice costs. Existing available sources of practice costs tend to have limited information about the experience in California and often fail to include the cost of solo and small group practice physicians. CMA is working with the accounting firm of *Moss Adams* to collect and analyze the data. The survey process runs from June 1st through July 15th. Since *Moss Adams* will serve as the repository for the survey data, the only cost detail information that CMA will have access to will be deidentified. *Moss Adams* will keep the information confidential and may not use any of the information received for any promotional or marketing activity and may not disclose it to a third party. You can participate in the survey by visiting www.zoomerang.com/recipient/survey-intro.zgi?p=WEB2J8MQRUTQ.

NHIC/Medicare & DHS/MediCal

[Editor's Note: ANCO meets with National Heritage Insurance Company (NHIC) that administers Medicare in California and the Department of Health Services (DHS) that administers MediCal in California.]

NHIC/Medicare has proposed a draft Local Coverage Determination (LCD) for darbepoetin alfa (Aranesp; J0880, Q0137). ANCO submitted the following comments in response:

...the ANCO Board's comments on NHIC/Medicare's Draft Local Coverage Determination (i.e., Aranesp LCD) for darbepoetin alfa (DLCD 04-03.2)...are based on ANCO and NHIC/Medicare having worked together to develop and implement the existing erythropoietin Local Medical Review Policy (i.e., EPO LMRP), our asking the membership to provide you with their comment and input

directly, as well as an ANCO Board level review of the Aranesp LCD.

In general, darbepoetin alfa is clinically equivalent to erythropoietin and both drugs should be covered identically by NHIC/Medicare. Separating the way these two drugs are dealt with by NHIC/Medicare will only produce increased confusion among providers as well as increased administrative work for both providers and the carrier while providing no cost savings to either the Medicare program or its beneficiaries. Indeed, several other Medicare carriers have recognized this and cover both drugs under one policy. Whether you add darbepoetin alfa to the EPO LMRP or make the Aranesp LCD equivalent to the EPO LMRP should be NHIC/Medicare's decision. Our recommendation, however, is that clinically equivalent drugs used for identical diagnoses should be covered identically and subjected to the same coding/billing requirements.

Specifically:

- *With regard to dosing, the Aranesp LCD's dosing guidelines for chemotherapy-induced anemia (CIA; 1.5-2.25mcg/kg/wk or 3-5 mcg/kg every two weeks) do not reflect the FDA's approved package insert (i.e., 4.5mcg/kg).*
- *With regard to the initiation of treatment, the Aranesp LCD would require providers to treat NHIC/Medicare beneficiaries with the same diagnoses differentially. And, those beneficiaries for whom providers determine Aranesp is the preferential treatment, would have their access to the preferred treatment limited due to more restrictive Hgb and HCT levels.*

Second, the Aranesp LCD establishes a fixed Hgb initiation level rather than allowing for a treatment target per the EPO LMRP, as well as ASCO and National Comprehensive Cancer Network (NCCN) practice guidelines. This sets a different standard of care for beneficiaries receiving darbepoetin alfa versus erythropoietin with the same diagnoses.

Third, the Aranesp LCD does not take into consideration co-morbid conditions (e.g., cardiovascular disease) that would require maintenance of a higher HCT/lower Hgb. In contrast, the EPO LMRP does address such situations.

Finally, under Utilization Guidelines, second bullet, the first "hemoglobin" should be "hematocrit."

- *With regard to indications, NHIC/Medicare has instructed its providers on three separate occasions that Aranesp is "subject to the diagnosis requirements identified in the Local Medical Review Policy entitled Epoetin Alfa." The website "What's New" article (posted January 8th and revised January 15th), the Medicare Resource B article (March 2004, pages 8-9), and the Spring 2004 Workshop Guide (page 6) have each unambiguously reinforced the expanded indications for Aranesp (J0880, Q0137) in the non-ESRD setting. Implementation of the Aranesp LCD and its restricted set of covered indications would confuse providers by eliminating coverage for previously approved indications, something that has never happened in California to our knowledge.*

In addition, January's expansion of coverage to include anemia of chronic disease (ACD) and myelodysplastic syndrome (MDS) prompted many providers to use darbepoetin alfa in those patients with those diagnoses with excellent responses.

- *With regard to coding/billing, the Aranesp LCD's requirements differ from those under the EPO LMRP even though both drugs are used for the same diagnoses, especially CIA. This is inconsistent with NHIC/Medicare's coding/billing guidelines for other products that are approved for the same indications. For example, paper (manual) claims would be required for any claim where the Hgb is greater than 12g/dl, increasing administrative costs to both providers and carrier. Also, three diagnosis codes are required for CIA in the Aranesp LCD. This increased coding*

complexity has the potential of increasing coding and claims processing errors.

Additional provider and carrier resources will need to be utilized to ensure that the different coding/billing requirements are implemented correctly when there appears to be no need for the different requirements.

In summary, darbepoetin alfa is a very effective drug for cancer patients with a variety of diagnoses. The potential for patients to receive this drug every two weeks rather than weekly increases their quality of life and decreases costs to the carrier (i.e., more frequent visits result in additional office visits and injection charges). Therefore, the Association of Northern California Oncologists recommends that the Aranesp LCD and its guidelines for coverage and coding/billing be identical to the EPO LMRP.

Private Payers

It has come ANCO's attention that **Blue Cross of California** (for some of its PPO contracts) has lowered drug reimbursement and not increased chemotherapy administration reimbursement. We urge all members to compare their *Blue Cross* reimbursements with their contracts and report any discrepancies to ANCO and *Blue Cross*.

EDUCATION

[Editor's Note: ANCO regularly organizes clinical and professional education meetings throughout the year and throughout Northern California.]

Reception in Honor of Margaret A. Tempero, M.D., ASCO President

Join your colleagues from ANCO and MOASC, Dr. Tempero's colleagues from UCSF and our other Institutional Members, as well as other national oncology leaders at a reception at ASCO's 40th Annual Meeting in honor of her exemplary leadership of ASCO during this pivotal time in community oncology. This event takes place on Sunday, June 6th, at 5PM at the Windsor Court Hotel in New Orleans and is open to ANCO and MOASC members, representatives from

sponsoring organizations (*biogenIDEC, Genentech BioOncology, Genomic Health, Glaxo SmithKline, MGI Pharma, Ortho Biotech, and Pfizer Oncology*), and other invitees.

SAVE THE DATE!

ANCO's Annual ASCO Highlights 2004

On Tuesday evening, September 14th, in Oakland, a distinguished faculty from ANCO's Institutional Members will present ANCO's annual *ASCO Highlights 2004*. This year's meeting will be accredited by ASCO. Watch for announcements in July.

SAVE THE DATE!

ANCO's 2004 Annual Meeting

ANCO will hold its 2004 *Annual Meeting* from Friday evening, October 1st, through Sunday morning, October 3rd at the Hyatt Regency Monterey. Physician members and their nurse and practice managers should plan on attending this event. A distinguished national and local faculty will present the latest national and statewide legislative and regulatory information along with how to use practice management techniques and information technology to meet the challenges faced by medical oncology practice in 2005 and beyond. Watch for details and announcements in July.

ASSOCIATION NEWS

Letter from the ANCO President

ASCO convened a meeting of *State/Regional Oncology Society Presidents* in Chicago to discuss its ongoing efforts. Medicare reform now accounts for the largest expenditure in the ASCO budget, and the number one goal listed in ASCO's *Strategic Plan* for 2004-2007 is improving access to high-quality cancer care. ASCO is pursuing both administrative relief through CMS and legislative relief via

Congress, and both avenues have their own merits and hurdles to overcome.

Administratively, ASCO is applying pressure on CMS to release information on average selling price (ASP), as drug manufacturers have already submitted their first quarter 2004 sales data to CMS. While CMS does not need to announce ASP until late in the fourth quarter of this calendar year, it is hoped that data will be made available by August. *Representatives* Charlie Norwood and Lois Capps are asking their fellow *Members of Congress* to sign on to a letter to Mark McClellan of CMS urging him to make this data available to *Congress* and oncologists as soon as possible. ASCO is also requesting that CMS approve two new chemotherapy administration codes and allow multiple 96410 charges. The two new codes are a chemotherapy management code and a code to cover the work associated with administering monoclonal antibodies. The latter will broaden our physician

base, as this code will benefit rheumatologists, gastroenterologists, and other medical subspecialists. Since CMS can implement these codes without further *Congressional* action and independent of the *Congressional* calendar,

these changes could be seen before 2005.

Legislatively, ASCO will need to find an appropriate bill to attach any reform language. ASCO's goals are to maintain the 32% transitional increase in physician chemotherapy administration codes beyond 2004, and to ensure that oncologists will be fully reimbursed for the costs of oncology drugs. An opportunity in the *House* may be the tax reconciliation bill due in September, and in the *Senate*, a measure to reform the sustainable growth rate (SGR) formula that continues to threaten to lower physician reimbursements. *Senator* Frist has promised the *American Medical Association*

(AMA) to reform the SGR formula by 2005. ASCO has engaged *Ketchum Public Affairs* to be its lobbyist,

ANCO thanks

biogenIDEC, Genentech BioOncology,
Genomic Health, Glaxo SmithKline,
MGI Pharma, Ortho Biotech,
&
Pfizer Oncology

for supporting clinical and professional education.

Visit ANCO

at the State/Regional Affiliate Booth
at ASCO in New Orleans!

recognizing this as a necessary step in being an effective voice in *Congress*. *Ketchum* has good relations with *Members* on both sides of the aisle in *Congress*, and *Ketchum's President*, Susan Molinari, is a former leading member of the *Republican Caucus*.

It is also important for us to realize that the scope of the MMA is very broad, and creates a multitude of changes in the Medicare program that phase in between now and 2006. The concerns of oncologists vie with other competing constituencies for *Congress's* attention. This was brought home to me last week, when I participated with *Representative Sam Farr* in a *League of Women Voter's* sponsored panel in Monterey. Seniors are most interested in what affects their pocketbooks today, and right now that means the *Prescription Drug Discount Cards*. The benefits of the prescription drug coverage in 2006, let alone the concerns of oncologists in 2005, are not on the agenda of most seniors. *Congress* itself is concerned with the eventual cost of the prescription drug benefits, with *Republican* members pushing to introduce market forces to control costs and *Democrats* viewing this as a threat to the integrity of the social compact they believe Medicare represents between the Federal government and the people of the *United States*. While oncologists need to stay focused on our message, we need to acknowledge the entirety of the debate that we are engaged in.

Medicare is the health insurance provider of only some of our patients, the remainder of whom are covered by commercial insurers. ASCO policy has been and continues to be that anti-trust considerations prevent ASCO from being an advocate for oncologists with respect to commercial insurers, leaving it to ANCO to develop an independent strategy. The *California Medical Association* (CMA) has had a long history of directly engaging commercial carriers. Consequently, ANCO has reached out to CMA in the past year. We have become one of the first medical subspecialties to be awarded delegate status, and hope that as we educate CMA to our issues we will find a partner to work with in relations with commercial insurers and Sacramento legislators. The *Medical Oncology Association of Southern California* (MOASC) has

joined ANCO in retaining *Noteware Government Relations* as our lobbyist in Sacramento, and together both ANCO and MOASC are forming a joint *Political Action Committee* (PAC). The 2005 dues structure will reflect this new collaboration between Northern and Southern California.

Finally, I believe that it is important for ANCO to communicate with its members. Therefore, ANCO will hold its first *Annual Meeting* from October 1st through October 3rd, 2004 at the Hyatt Regency, Monterey. Representatives from ASCO and CMA will be present to hear your concerns, but the meeting will go beyond political issues. The meeting will provide a forum for physicians, nurses, and practice managers to exchange ideas on best practices and best solutions to common problems encountered in the office practice of oncology. In particular, information technology will be one of our points of focus. I hope to meet many of you in Monterey.

Individual Member News

The ANCO Directory of Members & Membership Information 2003 was published and mailed to all members in June 2003. An updated edition will be published in June 2004. Additional copies are available from the ANCO office.

The following update(s) to the *Directory* should be inserted in the appropriate location(s):

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Corporate Member News

ANCO thanks the following **Corporate Members** for their generous support that enables ANCO to grow and expand its services for the oncology community in Northern California, and to provide its members and their patients with substantial benefits in the areas of advocacy, education, and information dissemination:

AMGEN • APP/Abraxis Oncology
AstraZeneca • Aventis
Bayer Biologicals • Berlex Laboratories
biogenIDEC
Bristol-Myers Squibb Oncology
Cell Therapeutics • Chiron Corporation

Eli Lilly and Company
Genentech BioOncology • Genomic Health
Genta • Glaxo SmithKline
International Oncology Network
Lash Group Healthcare Consultants
Ligand Pharmaceuticals
MedImmune Oncology • MGI Pharma
Millennium • National Oncology Alliance
Novartis Oncology • Oncology Supply
Oncology Therapeutics Network
Oncotech • Ortho Biotech
OSI Pharmaceuticals • Pfizer Oncology
Roche Oncology • Sanofi-Synthelabo
Schering Oncology/Biotech
SuperGen • US Oncology • Wyeth Oncology

We especially wish to thank and welcome *Genomic Health, Genta, Lash Group Healthcare Consultants, OSI Pharmaceuticals, and Schering Oncology/Biotech* as new Corporate Members in 2004. *IMPATh* has resigned as a Corporate Member of ANCO.

Institutional Member News

We thank our current roster of **Institutional Members** for their support:

- *Stanford University Medical Oncology*
- *University of California, Davis, Cancer Center*
- *University of California, San Francisco*

UCSF's *Pain and End-of-Life Care* takes place in San Francisco on June 10-11th. This course is designed for all physicians, nurses, and pharmacists who care for patients in pain or with life-threatening illness. It meets California's requirement that physicians take 12 hours of CME in pain and palliative care. Visit medicine.ucsf.edu/cme/2004cal/M04462.html for more information.

UCSF's *Pancreatic Cancer 2004: Advances and Challenges* takes place in San Francisco on June 25-26th. This course is designed to bring together senior leaders and new investigators who can establish the status of the field, present new research, and identify opportunities for further investigation. Visit cme.ucsf.edu/calendar/CourseDetail.asp?CourseNumber=MMJ04008 for more information.