

# Build Back Better Act is Broken for Patients with Cancer

## Congress must fix the BBB Act before it's too late



Building back better from COVID-19 should mean improving America's cancer infrastructure, not destroying it by causing higher costs and less access to community cancer doctors. Sadly, with Congress rushing through massive changes to Medicare in the Build Back Better (BBB) Act, the fine print in how drug negotiations are implemented will have toxic side effects for patients with cancer and other serious diseases.

Rather than tackle the problem head-on, the BBB Act that Congress is rushing through will cause massive cuts to cancer care payments, cuts that history clearly shows will do the opposite of what we are being promised, resulting in higher costs for patients, increased taxpayer spending, and a broken cancer care system.

The problem lies in the details of how BBB operationalizes Medicare drug price negotiations. Rather than have drug manufacturers rebate the government directly for lower negotiated drug prices, BBB holds doctors that administer drugs as hostages in the negotiations – putting oncologists and other physicians treating serious diseases in the full-risk position of receiving massively lower payments.

### **The BBB Includes a Huge Cut in Medicare Payments for Cancer Providers**

A recent, independent analysis by [Avalere Health](#) shows that the way the BBB operationalizes Medicare drug price negotiations will lead to a devastating 42.9 percent cut in Medicare payments to independent cancer care providers. If this takes place, oncologists and other physicians treating serious diseases will be left in the full-risk position of receiving massively lower reimbursement for drugs below cost. This will also adversely impact commercial reimbursement.

Practices rely on these payments to cover the costs of providing chemotherapy to patients, including the procurement, specialized handling, and disposal of, often toxic, cancer treatments. While a practice's payments will be cut almost in half, none of its ongoing costs will be reduced; in fact, they are increasing due to inflation pressures, ongoing pandemic costs, and new shortages of drugs and supplies.

*The BBB, as currently written, will lead to a **devastating 42.9 percent cut in Medicare payments** to independent cancer care providers*

# Build Back Better Act is Broken for Patients with Cancer





## Congress must fix the BBB Act before it's too late



### History Shows the BBB Cuts to Cancer Care Will Be Disastrous

History has clearly documented that repeated cancer care payment cuts cause independent cancer care providers to close or merge with expensive hospital systems. COA tracks these practice trends in a biennial report. Our [2020 Practice Impact Report](#) found that 1,748 community oncology clinics and/or practices have closed, been acquired by hospitals, undergone corporate mergers, or reported that they have been struggling financially since 2008. Furthermore, access to care is threatened as cancer clinics, and other specialty facilities close, especially in rural areas, due to financial pressures.

### HISTORY SHOWS DRASTIC CUTS TO CANCER CARE WILL:

-  Close community cancer clinics
-  Push patients into more expensive hospitals
-  Increase drug costs for patients
-  Reduce patient choice and access to doctors

### The BBB Will Close Practices, Increase Patient Costs for Cancer Care

If community oncology practices close because of the dramatic BBB payment cuts, the result will be higher patient costs and more Medicare spending, not less. Research clearly shows that hospitals are far more expensive sites of service that exorbitantly mark-up drug prices for patients with cancer and charge much more for related care.

[A recent COA study](#) using hospitals' own drug price data showed that hospitals charge patients and insurers an average of 3.8 times the cost for already expensive cancer treatments. [Another recent study from researchers at the University of California Berkeley](#) found that hospital outpatient department prices were double those paid in independent physician offices for cancer drugs and that patient out-of-pocket costs are substantially higher. These are just two of the most recent studies documenting hospitals excessively increase the costs of drugs for patients.

# Build Back Better Act is Broken for Patients with Cancer

## Congress must fix the BBB Act before it's too late



Americans will be shocked to learn that the BBB Act Congress is pushing through to “lower” drug costs will actually increase them and overall health care spending.

### Fixing the BBB Act to Protect Cancer Care is Easy

Fortunately, the fix is relatively simple for Congress to make and preserves the BBB’s drug price negotiation goals while not unintentionally hurting cancer care. The Act’s language can be fixed so that drug manufacturers directly refund the government excess costs above the negotiated price. This creates a direct transaction between the government and drug manufacturers and does not put physicians in the middle, exposed to untenable financial risk.

There is already a precedent for the technical fixes that need to be made to the BBB Act with the Medicaid program where drug manufacturers rebate states directly, and those rebates are in turn shared with the federal government. Additionally, Medicaid rebates are not included in the calculation of average sales price (ASP), which is the basis for Medicaid reimbursement. If Medicaid rebates were not excluded from ASP, few, if any, providers would be able to treat vulnerable, low-income Medicaid patients.

**Take action today: Contact your Senator at**  
**<https://www.fixbuildbackbetter.org/> or**  
**call 202-224-3121.**

**Congress must fix the Build  
Back Better Act to help, not  
hurt, cancer care.**

