

The Facts on Dedicated Cancer Centers



Dedicated Cancer Centers treat cancer exclusively; are invaluable national resources improving health outcomes for millions

**City of Hope
Comprehensive
Cancer Center**

Duarte, CA

**Dana-Farber Cancer
Institute**

Boston, MA

**Fox Chase Cancer
Center**

Philadelphia, PA

**MD Anderson Cancer
Center**

Houston, TX

**Memorial Sloan
Kettering Cancer
Center**

New York, NY

**Moffitt Cancer Center
& Research Institute**

Tampa, FL

**Roswell Park Cancer
Institute**

Buffalo, NY

**Seattle Cancer Care
Alliance**

Seattle, WA

**Sylvester
Comprehensive
Cancer Center**

Miami, FL

The James

Columbus, OH

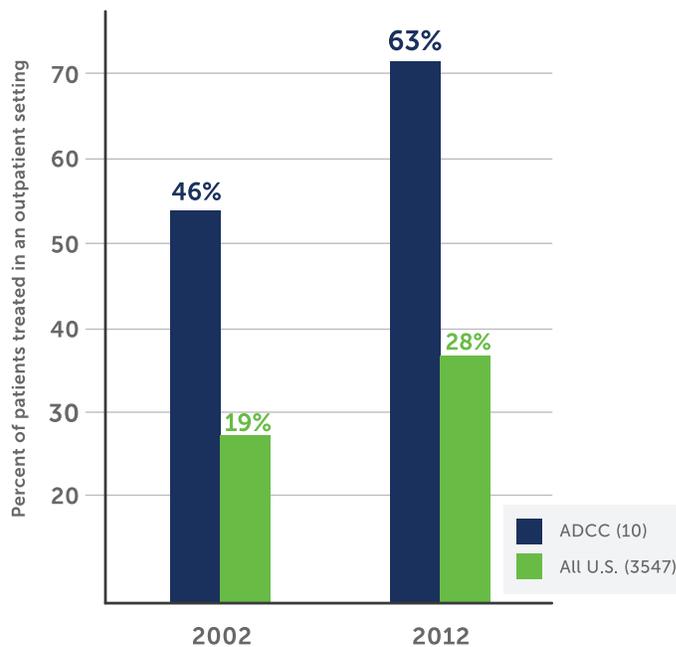
**USC Norris
Comprehensive
Cancer Center**

Los Angeles, CA

The 11 members of the Alliance of Dedicated Cancer Centers are at the forefront of diagnosis and treatment of cancer. Dedicated Cancer Centers were designated or created in response to the National Cancer Act of 1971 which declared a War on Cancer. With a singular focus on cancer, Dedicated Cancer Centers' state-of-the-art therapies and research activities often offer the greatest possibility of successful cancer treatment. Our institutions provide multi-disciplinary cancer care, including diagnostic, surgical, medical, chemotherapy and radiation treatment.

Dedicated Cancer Centers have long led the way in cancer research – advancing the world's understanding of the causes and prevention of these diseases. Much of the progress in understanding cancer's biology and effective treatment is directly attributable to the work of the 11 centers. Each maintains active programs in basic, population and clinical research, including clinical trials.

Dedicated Cancer Centers Leading the Way in Outpatient Care



Dedicated Cancer Centers are implementing new and innovative models – each better for patients and their families, while achieving lower costs. By leading the way in shifting cancer care from inpatient to outpatient settings, Dedicated Cancer Centers provide less expensive, more efficient care that is significantly better for patients.

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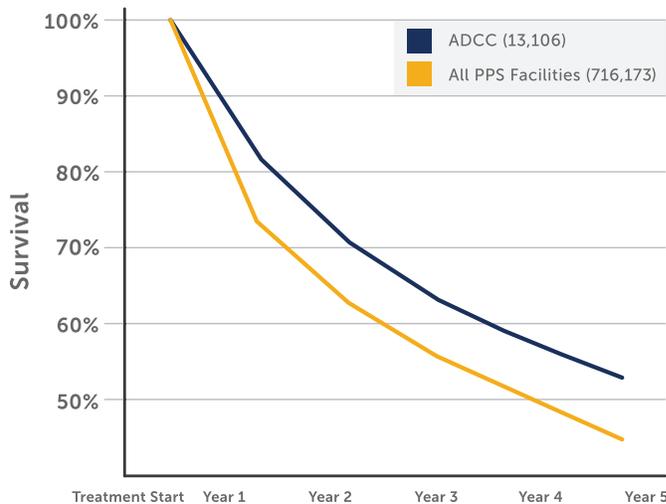
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Dedicated Cancer Centers Provide Patients with Higher Survival Rates



The likelihood of a patient surviving their cancer after 5 years at a Dedicated Cancer Center is 17 percent higher than at other hospitals. That's true across all types of cancer, including the most common – breast, colorectal, lung and prostate.

Source: Medicare Data 2006-2011, CRG adjusted, Refined Provider Algorithm

In 1983, Congress established specific rules governing Medicare payments to Dedicated Cancer Centers because of the unique economic challenges they face under the Medicare payment system for hospitals. The prospective payment system (PPS), which Medicare generally utilizes to pay hospitals for their services, is not well designed to pay Dedicated Cancer Centers.

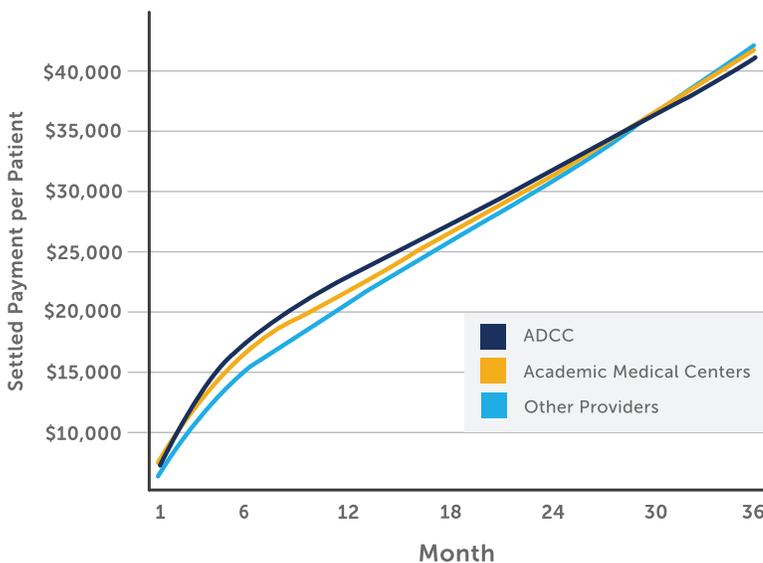
PPS is based on the assumption that a hospital will provide treatments for a variety of illnesses – which is true for more than 4,500 hospitals – and that low payments for treatments such as cancer will be offset by other treatments and procedures with higher payment rates. But that's not an option for Dedicated Cancer Centers, and Congress has long seen fit to exempt the Dedicated Cancer Centers from PPS.

ADCC: GAO Report on Medicare Payment Highly Distorted



GAO analysis is flawed and incomplete, ignores Congressional intent in establishing separate rules for Medicare payments to Dedicated Cancer Centers

Medicare Payments to Dedicated Cancer Centers vs. Other Institutions for Cancer Patients Surviving Three Years



Source: Medicare Data 2006-2011

GAO’s analysis fails to consider the critically important issue of treatment outcomes as an indicator of effectiveness and efficiency with taxpayer dollars. GAO’s report doesn’t include the fact that Medicare payments to Dedicated Cancer Centers are comparable to payments to hospitals paid for under prospective payment system (PPS) for cancer patients surviving three years.

Based on government data, patients initially treated at a Dedicated Cancer Center have a five-year survival rate that is 17 percent higher than those at other hospitals. This is true across all types of cancer, including the most common – breast, colorectal, lung and prostate.

GAO’s report failed to take into account Congress’ intent in establishing specific rules governing Medicare payments to Dedicated Cancer Centers. Congress has approved payment protections under which Medicare pays Dedicated Cancer Centers at a higher rate for cancer treatments than it does for hospitals treating cancer along with a variety of other diseases.

Congress has long seen fit to exempt the Dedicated Cancer Centers from PPS because it recognized that PPS it did not appropriately pay for cancer diagnosis and treatment. It wanted to ensure that Dedicated Cancer Centers had a viable payment system for treatment of Medicare patients.

Any changes to the way the Dedicated Cancer Centers provide care to Medicare patients should be very carefully considered.

ADCC: GAO Report on Medicare Payment Highly Distorted



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Without Congress' payment protections, Dedicated Cancer Centers would face devastating financial shortfalls that could result in unintended, catastrophic consequences for patients and the War on Cancer. Payment protections are essential to the viability of Dedicated Cancer Centers. Without the current protections in place, ADCC members would lose, on average, 33 cents on every dollar spent on a Medicare patient undergoing cancer treatment.

Loss on Every Dollar Spent on Medicare Patient Undergoing Cancer Treatment

ADCC Without Protections	-\$0.33
ADCC With Protections	-\$0.09

Source: Medicare Data 2011

Such losses would be unsustainable. Even with the protections, ADCC members lose, on average, 9 cents on the dollar for every dollar spent on treatment of a Medicare cancer patient.

GAO's report failed to recognize that patients treated at Dedicated Cancer Centers have a higher proportion of more complex cancers and more advanced disease stages than patients in hospitals that do not treat cancer exclusively. Not all cancer patients are the same, and the report did not take into account that treating early stage cancer is not the same as treating patients with more advanced diseases or patients with rare cancers. Dedicated Cancer Centers treat all types of cancers and achieve better outcomes.