



For Immediate Release
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Alliance Applauds New Study that Finds Site-Neutral Payment Policy Results in Lower Out-of-Pocket Costs for Cancer Patients

A [new study](#) released by the American Cancer Society Cancer Action Network (ASC-CAN) shows expanding site-neutral payments would lower out-of-pocket costs for Medicare patients with cancer and reduce Medicare Part B spending.

The study, which was conducted by Avalere Health, estimated the potential savings to a hypothetical patient with Medicare coverage who is diagnosed and treated for breast cancer during a calendar year if the Medicare Payment Advisory Commission's (MedPAC's) site-neutral payment recommendations were implemented. The study found that certain cancer treatment services provided in hospital outpatient departments (HOPDs) were reimbursed at a rate that was three times higher than services provided in a physician office setting, while some services were reimbursed at a rate of more than five to six times higher when provided in HOPDs. As a result, the study estimated the hypothetical patient would have experienced a \$1,500 reduction in out-of-pocket costs over the course of a year if site-neutral payment had been implemented and that Medicare Part B spending would have been \$7,750 less.

"The findings highlight the ways patients, and the federal government, stand to benefit from expanded site-neutral payment policies," said **James A. Klein**, president of the **American Benefits Council**. "Bipartisan efforts to improve health care payment policies, like those included in the Lower Costs, More Transparency Act (H.R. 5378) and the Site-based Invoicing and Transparency Enhancement (SITE) Act (S. 1869), will help ensure that patients and payers are not overpaying for care. We applaud ASC-CAN for this important study and the vital life-saving work they do to help those fighting cancer."

Hospital prices are a No. 1 driver of increased costs for patients and CMS' actuaries have [concluded](#) that "hospital spending growth is the principal reason for Medicare's faster growth." If we want lower health care costs for the federal government, employers, employees and patients, we must address undesirable market dynamics that are increasing our costs.

Site-neutral payment reform corrects a Medicare payment anomaly that enables HOPDs to get paid more for the same service as freestanding facilities and encourages hospitals to purchase doctors' offices (where care is less expensive) to turn them into HOPDs where they bill more—increasing costs for the federal government and for patients. In fact, MedPAC data suggest hospital acquisitions of standalone physician's offices have accelerated: the share of chemotherapy administration billed under the hospital outpatient payment system grew from 35.2% in 2012 to 51.9% in 2021. This drives up costs for patients and taxpayers without increasing quality or improving outcomes for patients.

The Alliance looks forward to working with Congress and other stakeholders to find solutions to lowering health care costs for employers and patients and we strongly urge Congress to show their support for site-neutral payment policies that generate federal savings and protect patients from unfair high health care costs.

The **Alliance to Fight for Health Care** is a diverse coalition comprised of businesses, patient advocates, employer organizations, unions, health care companies, consumer groups and other stakeholders that support employer-provided health coverage. Together, we are working to ensure that employer-provided coverage remains an effective and affordable option for working Americans and their families. The coalition (previously working as the **Alliance to Fight the 40**), led the successful effort to repeal the so-called 40% "Cadillac Tax" on health care coverage.