

AFROC



ASSOCIATION OF FREESTANDING RADIATION ONCOLOGY CENTERS

Our Voice in Washington

The Source

February 2008

THE BOARD

David J. Rice, MD <i>President</i>	Port Charlotte, FL
Peter H. Blitzer, MD <i>Past President</i>	Plantation, FL
Paul Williams, MSPH <i>Secretary/Treasurer</i>	Charlotte, NC
Mary W. Conti, MD	St. Louis, MO
Bob D. Hesselgesser, MD	Thousand Oaks, CA
Michael J. Katin, MD	Fort Myers, FL
Dhirendra J. Patel, MD	Prescott, AZ
Wayne T. Spears, MD	St. Louis Park, MN
Diane Millman, Esq.	<i>Legal Counsel</i>
Sheila Gell, MA	<i>Executive Director</i>

2008 DUES

AFROC's 2008 invoices were mailed in November and January. Your continued participation is critical to its future and to the future of your freestanding radiation center.

It is estimated that 95% of your dues can be taken as a business expense.

Check out
AFROC's website
www.afroc.org

LEGISLATIVE NEWS

Medicare Physician Payments

Scheduled cuts to Medicare physician payments have driven annual Medicare legislation for several years. In order to prevent a scheduled 10% physician payment cut in 2008, Congress approved a short-term extenders package in late December, delaying the payment cut and providing doctors with a 0.5% payment bump until June 2008.

Democratic leaders had originally intended to pass a 1- or 2-year physician payment fix last year to be paid for with cuts to Medicare managed care plans (Medicare Advantage) and other Medicare providers. But, Presidential veto threats on any legislation that would broadly cut MA plans forced Congressional leaders to pass a short-term fix.

Because of last year's temporary fix, Congress must again tackle the physician payment issue early this year to prevent a 10% cut in July and a 16% cut in January 2009. Enactment of legislation to fix these pending payment cuts becomes increasingly important in this political election year as doctors predict access problems for Medicare beneficiaries if such cuts go into effect.

Democratic leaders state that they plan to begin Medicare negotiations early this year and it appears such legislation will originate in the Senate, rather than the House. Majority House staffers continue to promote last year's "CHAMP" Act as still valid. The large, House-passed CHAMP Act would provide physician's with a 0.5% update for two years.

Like years past, this year's legislation will likely include an SGR "patch," rather than an attempt to solve the sustainable growth rate (SGR) formula problem – an expensive and controversial endeavor. Some are speculating that the Senate's proposal could include an 18-month patch with a price tag of \$12 to \$15 billion. Still, others predict a shorter-term, less expensive patch.

*Plan now to attend the
20th Annual Conference to be held at the
Grand Hyatt on June 8-9, 2008.*

Because Congress is currently operating under pay-as-you-go (PAYGO) rules, lawmakers must consider ways to pay for the physician fee fix, likely through cuts to other providers. As it did in December, this will likely prove difficult, especially if major cuts to the MA plans remain off the table. Other possible “pay-fors” could include cuts to oxygen, home health, skilled nursing facilities, and hospitals. The Senate Finance Committee is expected to hold a series of hearings over the next several weeks that will examine Medicare provider payments including payments to MA plans.

President Bush’s FY 2009 Budget Request

On Monday, February 4, 2008, the Bush Administration released its \$3.1 trillion fiscal year (FY) 2009 budget request, calling for more than \$200 billion in cuts to Medicare and Medicaid over the next five years. In terms of discretionary spending, many agencies under the Department of Health and Human Services (HHS) would receive cuts or little or no increases.

Many Congressional leaders immediately rejected the budget blueprint, and because many of the President’s proposals would require legislative action, it is fairly unlikely that Congress would make many of the dramatic cuts suggested in the budget request.

Medicare Cuts

The President’s FY 2009 budget proposes to cut Medicare spending by \$183 billion over five years, reducing the rate of growth of the program from 7.2 percent to 5 percent annually. Approximately \$117 billion of the Medicare savings in the President’s Budget would come from reducing scheduled updates to

provider payments over the next five years. Bush’s plan would freeze updates for nearly every Medicare provider in 2009, followed by a negative 0.65 percent market basket through 2013.

These five-year cuts would include \$64.2 billion in hospital payments; \$6 billion in outpatient hospital payments; \$5.1 billion in hospice payments; \$4.8 billion in inpatient rehabilitation facility payments; \$2.9 billion in long-term care hospital payments; and \$450 million in ambulatory surgical center payments.

The President’s budget also includes a series of other cuts and cost-savings proposals. For example, the budget would:

- Establish a **hospital value-based purchasing program** of incentives for hospitals to improve and attain high-quality care;
- Eliminate “duplicate” **Indirect Medical Education (IME) payments** to hospitals for beneficiaries in Medicare managed care plans;
- Phase-in a 30% reduction in **Hospital Disproportionate Share (DSH) payments** over two years to better align with costs to treating low-income patients;
- **Eliminate “bad debt” reimbursements**, phased-in over a four year period, that are currently paid to hospitals, SNFs and certain other providers for unpaid patient co-pays and deductibles; and
- Increase **Medicare Part B and Part D premiums** for higher-income beneficiaries. (Saves \$5.8 billion over five years.)

NEW GOLD & SILVER CORPORATE SPONSORS

AFROC wishes to welcome

Alliance Oncology as a Silver (\$5,000) Corporate Sponsor,
MarCap Corporation as a Gold (\$10,000) Corporate Sponsor, and
OnCURE Medical Corporation as a Gold (\$10,000) Corporate Sponsor.



AFROC wishes to thank the following sponsors & exhibitors for supporting the 20th Annual Conference.

2008 Gold & Silver Sponsors

Alliance Oncology - Silver
MarCap Corporation - Gold
OnCURE Medical Corporation- Gold

2008 Exhibitors

Accuray, Inc.
Calypso Medical
Planning Sophistication
Revenue Cycle

Coffee Break Sponsor 6/8 - *Healthcare Administrative Partners*

Beverage Break Sponsor 6/8 - *TomoTherapy*

Coffee Break Sponsor 6/9 - *Radiology Oncology Systems*

The President's budget also assumes net Medicare savings of \$4.7 billion over five years coming from the following Administrative activities:

- Withhold Medicare payment for certain conditions if they were not present at the time of hospital admission;
- An increase in the inpatient length-of-stay threshold that triggers transfer payment adjustments;
- A correction for case mix distribution in the skilled nursing payment system;
- A phase-out of the hospice-specific wage index adjustment over three years; and
- Strengthening program integrity in Medicare payment systems to root out excessive or inappropriate payments.

Discretionary Spending

The President's FY 2009 budget not only proposes significant reductions in Medicare and Medicaid spending in the coming fiscal year, but also proposes to cut or freeze funding for numerous discretionary

programs under the Department of Health and Human Services.

The President proposes to freeze funding for the National Institutes of Health (NIH) at \$29.4 billion in FY 2009. With inflation, this represents a significant cut in the funding level, which many consider insufficient to keep up with the agency's biomedical research agenda. Within the NIH, the National Institute of Biomedical Imaging and Bioengineering would receive \$300 million under the request – a \$1 million increase from FY 2008 estimated funding levels. The National Cancer Institute would be funded at \$4.81 billion in FY 2008. This is \$5 million more than appropriated in FY 2008.

The cuts to domestic and entitlement programs proposed in the FY 2009 budget drew harsh criticism from stakeholders and lead many Democratic lawmakers to label the budget as "dead on arrival." Congress is likely to begin work on its budget resolution in the coming weeks. A budget resolution is not binding and ultimately serves as a blueprint for appropriations work in the coming fiscal year.

Medicare 45% Trigger

Additional Presidential proposals could impact the Congressional Medicare debate this year as well. The Bush administration sent a Medicare proposal to Congress the week of February 11th, in compliance with a Medicare "trigger" provision included in the Medicare Modernization Act of 2003 (MMA).

The so-called Medicare 45% trigger warning is prompted when the general revenue funding of Medicare is projected to account for 45% or more of Medicare expenditures for any one year within a seven-year projection period. (Medicare Part B is financed with premiums paid by beneficiaries and general revenues.) When two consecutive warnings are issued, as they have been the last two years, the President must propose legislation within at least 15 days of the release of his budget proposal to prevent general revenue funding from accounting for 45% of the Medicare program's expenditures.

The House is then required to introduce the President's proposed Medicare legislation and would consider action under expedited procedures. In the Senate, consideration of the legislation is not expedited and the legislation does not have to be passed.



20th ANNUAL CONFERENCE
June 8-9, 2008
 Grand Hyatt Washington
 1000 H Street, NW
 Washington, DC

Return form with check to AFROC, 1501 M St. NW, 7th Floor, Washington, DC 20005
 or
 Fax credit card information to 202- 785-0564, Attn: Sheila Gell

Full name: _____ Title: _____
 Company: _____
 Address: _____ City _____ State _____ Zip _____
 Phone: _____ Fax: _____ E-mail: _____
 Non-attending guest's full name: _____

- I will be attending the reception on Sunday evening June 8th at the International Spy Museum
- I will not be attending the reception.

Registration includes: All conferences, continental breakfasts, refreshment breaks, lunches, and dinner. Guest fee for breakfasts, lunches and dinner – see below.

<u>Two Day Registration</u>	<u>Pre-registration</u>	<u>On-site registration</u>	<u>Payment</u>
<input type="checkbox"/> AFROC member	\$450	\$475	\$ _____
<input type="checkbox"/> Additional AFROC members*	\$400	\$450	\$ _____
<input type="checkbox"/> Non-Member	\$550	\$475	\$ _____
<input type="checkbox"/> Guest	\$150	\$175	\$ _____
<input type="checkbox"/> Guest Dinner Only	\$ 75	Pre-registration required	\$ _____

<u>One Day Registration</u>	<u>Pre-registration</u>	<u>On-site registration</u>	<u>Payment</u>
<input type="checkbox"/> AFROC member	\$300	\$325	\$ _____
<input type="checkbox"/> Additional AFROC members*	\$200	\$275	\$ _____
<input type="checkbox"/> Non-Member	\$275	\$300	\$ _____

- Any member organization paying a \$450 registration fee will be granted a \$50 reduction in registration fees per additional attendee. Please return forms for multiple attendees together.
- **Cancellation Policy:** The registration fee is refundable up to **May 23, 2008**. All requests for a refund prior to **May 23, 2008** will receive a full refund, minus a \$50 administrative fee. There will be no refunds on registration fees after **May 23, 2008** although you can send a replacement from your organization or company. Please notify us if you plan to send a replacement to the conference.

Payment information:	Total amount due:
-----------------------------	--------------------------

<input type="checkbox"/> Enclosed is check # _____ (Payable to AFROC) <input type="checkbox"/> VISA <input type="checkbox"/> MasterCard Card #: _____ Exp date: _____ Name as it appears on card: _____ Authorized signature: _____
--

Call the Grand Hyatt Washington at (800-233-1234) for room reservations (AFROC).
 Reservations made before **May 6, 2008** will be afforded conference rate
 of \$275/single, \$30/double per night based on two night stay.



*The
Source*

February 2008

1501 M Street, NW
7th Floor
Washington, DC 20005
Phone: 202-872-6767
Fax: 202-785-0564
Email: Sheila.Gell@ppsv.com

**Join AFROC:
Your Freestanding
Independence
Depends on it!**

Practice Gold Members:

- Illinois Metro Radiation Therapy—Fairview Heights, Illinois and St. Louis, Missouri
- Minneapolis Radiation Oncology Physicians
Minneapolis, Minnesota
- NorthMain Radiation Oncology
Providence, Rhode Island
- Poudre Valley Radiation Oncology & Centennial Radiation Oncology
Denver, Colorado
- RadiantCare Radiation Oncology
Lacey, Washington
- Radiation Medical Group
San Diego, California
- Radiation Oncology Centers of the Carolinas
Charlotte, North Carolina
- Tacoma Radiation Oncology
Tacoma, Washington
- Tri-State Regional Cancer Center
Ashland, Kentucky
- 21st Century Oncology
Fort Myers, Florida