

October 27, 2009

Re: Prior Authorization Policies for On-label treatments in oncology

The Association of Community Cancer Centers (ACCC) does not support the usage of required prior authorizations for on-label, United States Food and Drug Administration (FDA) approved therapies. ACCC is a membership organization whose members include hospitals, physicians, nurses, social workers, and oncology team members who care for millions of patients and families fighting cancer. ACCC's more than 900 member institutions and organizations treat 60 percent of all U.S. cancer patients when combined with our physician membership.

Requiring prior authorization for on-label treatment of cancer drugs has become increasingly common by insurance companies, despite the approved use of such drugs for cancer treatment by the FDA. Requiring that providers obtain a prior authorization for cancer drugs presents a multitude of obstacles that must be overcome by both members of ACCC and cancer patients alike. These issues are affecting the entire oncology community.

When a physician or a practice is required to obtain prior authorization for a cancer treatment, that physician often has to pay for the high-cost drug up front in order to provide treatment for the patient in a timely fashion. As a result, they are taking substantial financial risks in order to provide the treatment to the patients.

Obtaining prior authorization also creates a higher administrative burden on physicians' offices and on the insurers as well. Physicians may need to hire a full time employee whose job is dedicated to contacting insurance companies to attain the prior authorization needed in order to receive the reimbursement for the cancer drugs. Unfortunately, such a burden may end up being passed on to patients in the form of higher costs, longer wait times or potentially having to go to the hospital to receive treatment. Moreover, these increased administrative costs can be proven as wasteful since the on-label drugs submitted for authorization are almost guaranteed to be approved. The system merely creates an inefficient, high-cost process that negatively affects both patients and providers.

Many cancer treatments are expensive, and the delay in reimbursement of these incurred costs can lead to understaffing and decreased access to care for patients in the form of longer wait times at the doctor's office and in the delay of access to treatments. These problems correlate back to the patient by creating difficulty for the patient to access quality care.

ACCC strongly believes that if the FDA has approved a drug to be safe and effective for the treatment of a disease, then insurance companies should not be allowed to require further approval of its use in the form of prior authorization.