December 19, 2017

The Honorable Erik Paulsen
127 Cannon House Office Building
Washington, DC 20515

Dear Congressman Paulsen:

On behalf of the American Society of Hematology (ASH), which represents more than 17,000 clinicians and scientists committed to the study and treatment of blood and blood-related diseases, including blood cancers such as leukemia, lymphoma, and myeloma, I am writing to extend the Society’s sincere appreciation for your efforts to support the passage of H.R. 4215, the Protect Access to Cellular Transplant (PACT) Act, which would ensure that hospitals providing hematopoietic cell transplantation (HCT) to Medicare beneficiaries receive adequate payments, similar to those hospitals receive for solid organ transplants.

HCT includes the transplantation of hematopoietic stem cells, which usually derive from bone marrow, peripheral blood, or cord blood. HTC is the standard of care for more than 70 diseases, including blood cancers, such as leukemia and lymphoma. Cell acquisition cost varies and is dependent on clinical factors as well as cell source. In 2016, adult donor cells from marrow and peripheral blood stem cells had an average cost of $48,436 while the average cost of cord blood was $65,117. The average inpatient hospital stay for this transplant averages 27.45 days. With these acquisition costs and average length of stay, the Medicare reimbursement does not cover the hospitals’ costs of providing the service. It is not sustainable for hospitals to continue performing this service at this reimbursement rate and may negatively impact patient access.

The PACT Act would help rectify this problem by ensuring that reimbursement for hematopoietic stem cell acquisition costs is consistent with solid organ acquisition costs. Solid organ transplant programs receive a payment separate from the Medical Severity Diagnosis Related Group (MS-DRG) for the cost of locating and purchasing the organ used for transplant. If the acquisition cost for donor cells and cord blood was reimbursed on reasonable cost basis, hospitals would be able to cover their costs under the MS-DRG for HCTs, eliminating the threat to patient access.

Thank you again for your efforts and leadership to provide adequate reimbursement to hospitals providing HCT to Medicare beneficiaries. ASH remains committed to removing barriers to access to care and the heavy cost burdens on hematology patients. Please do not hesitate to contact ASH Legislative Advocacy Manager, Tracy Roades (202-776-0544 or troades@hematology.org) or ASH Policy and Practice Manager, Leslie Brady (202-776-0544 or lbrady@hematology.org) if you have any questions or need additional information.

Sincerely,

Alexis Thompson, MD, MPH
President