



Advancing Transfusion and
Cellular Therapies Worldwide

June 17, 2016

Andrew Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
Attention: CMS-1655-P
P.O. Box 8011
Baltimore, MD 21244

Re: CMS-1655-P – Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long Term Care Hospital Prospective Payment System and Proposed Policy Changes and Fiscal Year 2017 Rates

Dear Mr. Slavitt:

AABB appreciates the opportunity to comment on the Hospital Inpatient Prospective Payment System Proposed Rule for Fiscal Year 2017. AABB is a professional and standard-setting organization representing individuals and institutions involved in the fields of transfusion medicine and cellular therapies. AABB membership includes physicians, nurses, scientists, researchers, administrators, medical technologists and other health care providers, as well as blood centers, hospital-based blood banks and transfusion services, cord blood banks and cell therapy laboratories. In particular, AABB offers the following comments relating to Medicare inpatient reimbursement for stem cell transplants and blood products.

Stem Cell Transplants

AABB remains concerned that Medicare payments do not cover the full costs of providing bone marrow and cord blood transplants. These transplants often represent the best available treatment for Medicare beneficiaries battling blood cancers and other blood disorders.

In the past, the Centers for Medicare and Medicaid Services (CMS) addressed a similar problem relating to solid organ transplants by paying for the cost of obtaining the organs separately from the bundled transplant procedure payment. AABB strongly urges CMS to do the same for bone marrow and cord blood transplants. Conducting donor and product searches for appropriately matched stem cell products is very resource intensive and merits such separate payments.

Blood Products

In addition, AABB respectfully requests that CMS address inpatient reimbursement for blood products. For well over a decade, the Department of Health and Human Services' Advisory Committee on Blood and Tissue Safety and Availability (ACBTSA) has raised concerns about inadequacies in reimbursement for blood products. Most recently, in November 2015, the



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ACBTSA found that there is a “clear and present need to address the immediate crisis and to manage a longer-term paradigm shift to stabilize blood centers in the U.S. and ensure it continues to meet public health needs.” The Advisory Committee went on to note that “the large gap in inpatient hospital reimbursement (accounting for 80% of blood utilization) relative to the production costs of blood components contributes significantly to the economic stress experienced by blood centers.” Specifically, ACBTSA unanimously recommended that the Secretary advocate for “measures that could be taken to address the gap in reimbursement of blood components as a special need in the public health system potentially including a “carve-out” enabling direct “pass-through” CMS reimbursement of blood centers for the actual cost of the blood components including implementation of newer safety innovations based on the special role of transfusion as a public good in supporting modern health care.”

The transfusion medicine community has been working diligently to reduce inefficiencies and unneeded costs associated with blood transfusions. Notably, there have been dramatic reductions in blood use (approximately 25% since 2008), which has resulted in improved patient care and reduced health care expenditures. However, faced with inadequate reimbursement, blood centers and hospitals are struggling to adopt innovative, potentially life-saving blood safety technologies and services. AABB requests that CMS address these important recommendations. We would welcome the opportunity to meet with you to discuss this critical public issue.

Thank you again for the opportunity to offer these comments. If you have any questions or require additional information, please contact AABB Director of Public Policy, Theresa Wiegmann at +1.301.215.6554 or theresa_w@aabb.org.

Sincerely,

Miriam A. Markowitz
Chief Executive Officer