

July 20, 2022

The Honorable Charles Schumer
Majority Leader
322 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
317 Russell Senate Office Building
Washington, D.C. 20510

Dear Leaders Schumer and McConnell,

Our organizations collectively represent over 9,500 rheumatologists and rheumatology interprofessional team members, nearly 45,000 clinical oncologists, researchers, and other oncology professionals, 16,000 gastroenterologists, and 38,000 neurologists and neuroscience professionals. **We write today to offer our support for the goal of reducing the cost of prescription drug treatments in the drug pricing provisions in the latest reconciliation package and ask for one modification to address an unintended consequence which we believe is essential to ensuring continued patient access to critical Part B medications.**

The ACR, ASCO, AGA, and the AAN support several of the healthcare provisions included in the most recent version of the reconciliation package. These policies support the medical community and would help patients across the country secure access to quality care. We thank you for including provisions in the legislation that will:

- Mandate rebates for prescription drug cost inflation that exceeds certain benchmarks;
- Cap Medicare Part D out-of-pockets costs to Medicare patients at \$2,000 annually; and
- Cap monthly cost-sharing payments for Medicare users of certain prescription drug plans

The ACR, ASCO, AGA, and the AAN have long supported bold policy changes to make treatments more affordable. To achieve this shared goal without harming those who continue to provide care to the most vulnerable patients in your state, we ask for your attention regarding the unintended consequences of the provision allowing Medicare to negotiate drug prices. **We are concerned that this drug pricing provision will unintentionally put physicians and their patients in the middle of the proposed “negotiation” between the government and drug manufacturers.**

Specifically, the legislation would negatively impact Medicare reimbursements to providers who administer drugs covered by Medicare Part B – in a way that we believe is unsustainable and would negatively impact patient access to critical medications. The current reimbursement system for Part B drugs provides a margin above the acquisition price of drugs to cover the overhead costs associated with these treatments. These include prepaying distributors to acquire these treatments, facilitating required specific storage requirements, administration costs, risks of loss or non-payment, and other considerations.

Data from ASCO's [PracticeNet](#) shows that for negotiated drugs, providers can expect a 41.5% decrease in total payment, even accounting for reduction in acquisition costs. By 2028, selected drugs are expected to account for 38% of all drugs administered today for hematology/oncology. The add-on is 23% of total revenue available to practices to pay for staff, facility, and other expenses. This resulting financial impact would be a 3% cut to oncology practices, a detrimental impact for practices especially in rural and underserved areas and compounded by the Medicare sequester that was reinstated this year and the Medicare Physician Fee Schedule Proposed Rule cuts scheduled to take effect in 2023.

We ask that Congress take steps to offset this adverse impact, which we believe is an unintended consequence of allowing drug price negotiation and would impact patient access to care. Specifically, we believe these reductions should be offset by exempting Part B reimbursements from the sequestration reductions originally caused by the Budget Control Act of 2011 and subsequent extensions by Congress. Doing so would help ensure that reimbursements to physicians who purchase these expensive treatments remain sustainable so providers can continue to treat their patients in all practice settings without impacting patient co-pays or requiring additional oversight by the Centers for Medicare & Medicaid Services (CMS). It's a win for patients, healthcare access, and Medicare.

Like past policies that decreased Medicare Part B reimbursements without considering the way in which physicians must acquire, store, and provide the treatments, this provision in the reconciliation package could cause the consolidation or closure of independent practices and force patients to seek care in more expensive settings. This threatens access to care and may result in many patients paying more for drugs and medical care—the opposite of what the reconciliation package intends. This is a particularly high risk to elderly Medicare recipients living in rural areas, who already face significant barriers to care. The goals, though admirable, are not served by the current wording that may force patients to travel farther for care or seek care in more expensive settings.

For these reasons, while we continue to support improving affordability for patients, we are asking that medication reimbursement in Part B be exempted from sequestration reductions moving forward. This small change would be a big win for patients, healthcare access, and Medicare. We would like to work with you and your Senate colleagues as you consider and debate the important healthcare policies contained in this and future legislation.

CC: Senate Finance Committee Members

Sincerely,

American Academy of Neurology

American College of Rheumatology

American Gastroenterological Association

Association for Clinical Oncology