

November 14, 2019

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
1236 Longworth House Office Building
Washington, DC 20515

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
2468 Rayburn House Office Building
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20515

The Honorable Chuck Schumer
Minority Leader
U.S. Senate
322 Hart Senate Office Building
Washington, DC 20515

Dear Speaker Pelosi and Leaders McCarthy, McConnell, and Schumer:

The Association of Women in Rheumatology (AWIR) promotes the science and practice of Rheumatology, fosters the advancement and education of women in Rheumatology, and advocates for access to the highest quality health care and management of patients with Rheumatic diseases. While there are no cures for Rheumatic diseases, medical research breakthroughs have led to treatments and therapies that can dramatically improve the quality of life for those living with rheumatic diseases.

Our organization is encouraged by the bipartisan efforts to mitigate the rising costs of prescription drugs for millions of patients across the country struggling to access essential treatments. However, **AWIR is concerned by recent proposals contained in H.R. 3, the Lower Drug Costs Now Act; and Section 102 and 105 of S. 2543, the Prescription Drug Pricing Reduction Act (PDPRA).**

One such concern we hold is with the Schrader amendment found in H.R. 3, and S. 2543 (Section 105). While we fully support the development and adoption of biosimilar products, AWIR cautions against adopting an amendment to change the reimbursement rate for biosimilar products from the Average Sales Price (ASP) of the reference biologic + 6% to ASP + 8%.

Under the amendment, the 2% increase will result in patients paying more for biosimilars than for biologics. The amendment also assumes that providers would be incentivized by profits and we therefore disagree that such will be the case. AWIR believes that rheumatologists are motivated by the best interests of their patients, and therefore have doubts that the increase would be either effective or in congruence with our medical ethics.

Furthermore, patient coupons currently play a critical role in maintaining access to treatment. As such, we have further concerns regarding changes to the ASP calculation proposed in S. 2543, Section 102 and feel the proposed change could create unintended consequences for commercially insured patients. Given the current, small margin of reimbursement given to providers for Part B drugs, significant changes in the ASP calculation could create a situation in which ASP reduces drastically, but the actual prices for drugs do not experience a decline. In this situation, rheumatologists would be unprotected from being financially underwater when acquiring and administering Part B drugs.

AWIR supports policies that would reduce beneficiary out-of-pocket costs and improve price transparency. While we are generally supportive of transparency and oversight proposals, we have significant concerns regarding the proposals that would implement changes to ASP policy.

AWIR thanks Congress for its commitment to lowering health care costs for Americans. If you have any questions or comments, please contact Heather Kazmark, AWIR Government Affairs Specialist at Heather.Kazmark@naylor.com or 847.264.5930.

Sincerely,

A handwritten signature in black ink that reads "Grace C. Wright". The signature is written in a cursive style with a large initial "G" and a stylized "W".

Grace C. Wright
President

CC: The Honorable Chuck Grassley
The Honorable Ron Wyden
The Honorable Frank Pallone
The Honorable Greg Walden
The Honorable Richard Neal
The Honorable Kevin Brady
The Honorable Bobby Scott
The Honorable Virginia Foxx
The Honorable Kurt Schrader