

March 15, 2018

The Honorable Paul Ryan
Speaker,
U.S. House of Representatives

The Honorable Mitch McConnell
Majority Leader,
United States Senate

The Honorable Nancy Pelosi
Minority Leader,
U.S. House of Representatives

The Honorable Chuck Schumer
Minority Leader,
United States Senate

RE: Biosimilar Payment Equality in the 2018 Funding Package

To Speaker Ryan and Leaders McConnell, Schumer, and Pelosi:

The Association of Women in Rheumatology (AWIR) respectfully requests that there should be an equitable and consistent payment policy for reference products and biosimilar drugs purchased under the 340B program.

AWIR is dedicated to promoting the science and practice of Rheumatology, fostering the advancement and education of women in Rheumatology, and advocating access to the highest quality health care, and management of patients with Rheumatic diseases. Rheumatologists across the country, including our members, are dedicated to supporting policies that reflect our ability to safely and effectively treat our patients.

We are concerned that the Hospital Outpatient Prospective Payment System (HOPPS) for calendar year 2018 released by the Centers for Medicare and Medicaid Services (CMS) will create an unintended consequence that will negatively impact patients. Under the new policy, reference biologics purchased under the 340B program not on pass-through status will be reimbursed at average sale price (ASP) minus 22.5%. All biosimilars will receive pass-through status and will be reimbursed at ASP plus 6%. This policy encourages medically stable patients to be switched for non-medical reasons as hospitals will be financially incentivized to switch patients to a biosimilar for the higher reimbursement rate. Patients will further be burdened with high out-of-pocket costs that could affect their ability to afford their treatment, disrupting their progress in maintaining stability.

We strongly believe treatment decisions belong in the hands of patients and their healthcare providers. For these reasons, we urge you to include payment equality for reference biologics and biosimilars in the 2018 funding package.

Respectfully,



Grace C. Wright
President
Association of Women in Rheumatology