

TALKING POINTS

Protecting Patient Access to Cancer and Complex Therapies Act

- A provision in the Inflation Reduction Act of 2022 threatens patient access to certain Medicare Part B drugs provided in physician offices, infusion centers and hospitals.
- According to the Congressional Budget Office, reimbursement for Part B drugs (and the associated add-on payment) will be cut by an estimated 50 percent or more for those drugs that are subject to negotiation.
- Because the add-on payment comprises a significant portion of physicians' reimbursement for administering Part B drugs, cuts of this magnitude could threaten patient access.
- This policy could jeopardize the viability of medical practices, especially smaller groups, and those in rural or underserved areas. If we are no longer able to afford to administer these drugs, our patients will be forced to get their medications in the more expensive hospital setting.
- Independent physicians and our patients should not suffer collateral damage from negotiations between CMS and drug manufacturers.
- The Protecting Patient Access to Cancer and Complex Therapies Act has been introduced by U.S. Senator John Barrasso and U.S. Representative Michael Burgess.
- The legislation is budget neutral and would maintain current reimbursements to providers while saving Medicare and our patients the same amount of money by replacing the payment cut with a manufacturer rebate.
- Our patient's coinsurance would be based off the lower, rebated price (the MFP) and the manufacturer rebate would account for the coinsurance reduction.
- Rebates are a common cost-savings tool used by the government and private payers and would not cause disruption to providers and beneficiaries. Examples include the Medicaid Drug Rebate Program and Inflation Rebates in Medicare.

Background

- A provision in the IRA cuts reimbursement for certain Part B drugs from Average Sales Price plus six percent to the "Maximum Fair Price" (MFP) that is negotiated by the Centers for Medicare & Medicaid Services.¹
- Starting in 2028, certain Part B drugs that are on the market for 13 or more years and do not have a biosimilar on the market will be subject to MFP price cuts of a MINIMUM 40 percent, but the cuts could be much greater as the law does not provide any price floor.
- Each year thereafter, more Part B drugs are subject to significant reimbursement cuts under MFP and physician practices and other providers will see a significant reduction to the add-on payment to MFP Part B drugs.²
- The add-on payment is a vital component of provider payment for physician-administered drugs, as the professional fee for drug administration only covers a small fraction of our costs.

¹ MFP-designated products of manufacturers that refuse to agree to the "negotiated" price would be subject to a 95% excise tax or other products of the manufacturer could be excluded from coverage by Medicare and Medicaid.

² <https://avalere.com/insights/part-b-drug-negotiation-under-bbba-would-reduce-payments-to-providers>