



## Sound Policy. Quality Care.

July 25, 2019

Chairman Grassley and Ranking Member Wyden:

On behalf of more than 100,000 specialty physicians from 15 specialty and subspecialty societies, the undersigned members of the Alliance of Specialty Medicine (the "Alliance") write to share concerns about the impact of Section 102 of the Prescription Drug Pricing Reduction Act of 2019, which would require the inclusion of the value of manufacturer drug coupons in Average Sales Price (ASP) reporting.

Medicare bases the Part B add-on payment for physicians on a drug's ASP, defined in statute as the amount purchasers pay manufacturers for the drug, net of most price concessions. Currently, the value of coupons is not incorporated into the calculation of the ASP of a drug because manufacturers are not required to include price concessions provided directly to patients.

Drug manufacturers offer copay coupons to help reduce out-of-pocket costs for important medications, which is critical for privately insured patients that depend on specialty drugs to treat diseases such as rheumatoid arthritis (RA), irritable bowel disease (IBD), migraine, cancer, and other complex health conditions.

If enacted, Section 102 would reduce ASPs, which would have several impacts. First, it would result in further cuts to physicians for the drugs they administer in their offices. In fact, given reductions in recent years to the add-on payment for physician-administered drugs, many practices would potentially be forced to close their infusion centers. Second, small practices as well as practices in rural areas already report difficulty with purchasing drugs at current ASPs. If the ASPs reduce, as is the intent of the policy, these practices will struggle further to close the gap between what they must pay to acquire the drugs for their patients and the ASPs based on which they are reimbursed by Medicare.

The result would be decreased access for many patients, or alternatively, significant increases to beneficiaries and payers when these patients are shifted to the hospital outpatient department to receive their medicines.

While we appreciate your efforts to lower drug prices, particularly for the most frail and vulnerable populations, we fear that your proposal would not have the desired impact. We are

concerned about additional provisions in the legislation, such as section 110, and welcome the opportunity to work with you to identify more appropriate pathways to address rising drug costs. Should you have any questions, please contact Judith Gorsuch, [jgorsuch@hhs.com](mailto:jgorsuch@hhs.com).

Sincerely,

American College of Mohs Surgery  
American Gastroenterological Association  
American Society for Dermatologic Surgery Association  
American Society of Cataract and Refractive Surgery  
American Society of Plastic Surgeons  
American Society of Retina Specialists  
American Urological Association  
Coalition of State Rheumatology Organizations