



May XX, 2023

The Honorable Kevin McCarthy  
Speaker of the House of Representatives  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, D.C. 20510

The Honorable Hakeem Jeffries  
Minority Leader  
U.S. House of Representatives  
Washington, D.C. 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, D.C. 20510

Dear Speaker McCarthy, Leader Schumer, Leader Jeffries, and Leader McConnell:

The Part B Access for Seniors and Physicians (ASP) Coalition, representing over 300 patient and provider organizations across the country, is deeply concerned by continued payment cuts to providers' Medicare reimbursement. The ratcheting down of reimbursements over the years has made it extremely difficult for physicians to continue providing high-quality, accessible, and affordable medical care to Medicare seniors. Despite providers expressing dire concerns, Congress included untenable Part B payment cuts in the Inflation Reduction Act (IRA), further threatening care delivery to Medicare beneficiaries.

Part B provides drugs to close to 60 million seniors and disabled Americans, including those with cancer and other serious and complex conditions such as rheumatologic, autoimmune, and inflammatory conditions; those living with blinding eye diseases, Crohn's disease and ulcerative colitis, and rare diseases; as well as those living with serious mental illness. Given the often life-threatening complexity of their health conditions, they require personalized and accessible medical care from providers. Through Part B, physicians have access to a variety of treatment options for a wide range of health conditions, enabling them to provide the appropriate, life-saving care that their patients need.

Medicare beneficiaries receiving Part B covered drugs include some of the most vulnerable in the program. Physicians caring for these patients face an increasingly challenging reimbursement environment that will be made worse by the IRA putting providers in the middle of drug price negotiations between the government and drug companies. Reimbursement for negotiated Part B drugs will no longer be based on "Average Sales Price" (ASP), but rather a new rate called the "Maximum Fair Price" (MFP). A recent study analyzing the potential range of reimbursement reductions in Part B found that add-on reimbursements could fall by as much as 47.2 percent.<sup>1</sup> This new mechanism does not account for the overhead costs associated with acquiring and administering drugs, placing all of the financial risk on physicians. Additionally, it will be an administrative nightmare for medical practices to

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<sup>1</sup> Milena Sullivan Managing Director Amanda Tripp Associate Principal Ekemini Isaiah Consultant II, et al. "Ira Medicare Part B Negotiation Shifts Financial Risk to Physicians." *Avalere Health*, 29 Nov. 2022, <https://avalere.com/insights/ira-medicare-part-b-negotiation-shifts-financial-risk-to-physicians>.



have two different reimbursement rates – ASP and MFP – that will also affect their commercial insurance contracts.

Prior to the passage of the IRA, the physician community warned that the cuts to add-on payments for Part B drugs included in the bill would place extreme pressure on practice viability. Nevertheless, lawmakers moved forward with the provision, knowing they would further exacerbate the reimbursement cuts that the Centers for Medicare & Medicaid Services (CMS) has been implementing for years now.

Our coalition is concerned that CMS is not taking into consideration how year after year of significant payment cuts are adversely impacting patient care, fueling their costs and those to Medicare. Practices are closing, especially in rural areas, and consolidating into the more expensive hospital setting. This new round of IRA-induced reimbursement cuts will make a terrible situation even worse.

We urge Congress to protect patient access and quality care for Medicare beneficiaries by keeping providers whole in Medicare's drug price negotiation process and removing them from the middle of this negotiation process. Providers and their patients should not be hostages in this process being implemented by CMS.

Sincerely,

The Part B Access for Seniors and Physicians (ASP) Coalition

CC: Chiquita Brooks-LaSure, M.P.P  
Administrator, Centers for Medicare & Medicaid Services