

April 8, 2016

Dear Senator Nelson:

BioFlorida, the life science trade association representing nearly 5,500 establishments and research organizations and 80,000 jobs in the biotechnology, pharmaceuticals, medical devices/diagnostics and bioagriculture, is writing to express strong concern with the Centers for Medicare & Medicaid Services' (CMS) March 8, 2016 proposed rule that would implement a new "Medicare Part B Payment Model."

Part B provides an invaluable pathway for the sickest patients to access a narrowly defined, limited number of provider-administered products (e.g. those that are injected or infused under the direction of a physician). These vulnerable Medicare patients and the providers who care for them already face significant complexities in their care and treatment options. Disrupting how the care of these patients is delivered and paid for would do a great disservice to the sickest patients fighting devastating diseases.

In the proposed rule, CMS expresses concern that the 6% ASP add-on payment "may encourage the use of more expensive drugs because the 6 percent add-on generates more revenue for more expensive drug." This assumption fails to take into account the fact that providers' prescribing decisions depend on a variety of factors, including clinical characteristics and the complex needs of the Medicare population. Most importantly, there is no evidence indicating that the payment changes contemplated by the model will improve quality of care, and may adversely impact those patients that lose access to their most appropriate treatments.

Finally, it is important to understand that with the Budget Control Act, CMS has already cut Medicare reimbursement for physician-administered drugs by 2%, further impacting some providers' ability to administer essential drugs at the current reimbursement rate. It is imperative CMS acknowledges and evaluates the impact of the current, real payment rate and engages multiple stakeholders, starting with patients and providers, before implementing a new, severe reimbursement cut that is effectively ASP + 0.86% (plus a small flat fee). In closing, we urge you to ensure that our nation's oldest and sickest patients continue to be able to access their most appropriate drugs and services. ASP is a market driven system that has worked well and there is no reason to jeopardize access for patients facing grievous illnesses. Reducing payments below ASP +6% could put small providers at risk of closure and jeopardize access to care for the sickest Medicare patients.

Sincerely,



Nancy K. Bryan  
President & CEO, BioFlorida, Inc.