

CSRO

COALITION OF STATE RHEUMATOLOGY ORGANIZATIONS

BUSINESS OF RHEUMATOLOGY

Independent Practice: Strategies for Survival

July 31, 2024

Independent Practice: Strategies for Survival

- Approaching it with Two Strategies
 - **Advocacy** – Legislation and Regulation to Level Playing Field
 - **Adaptation** – Adapting to Market Realities

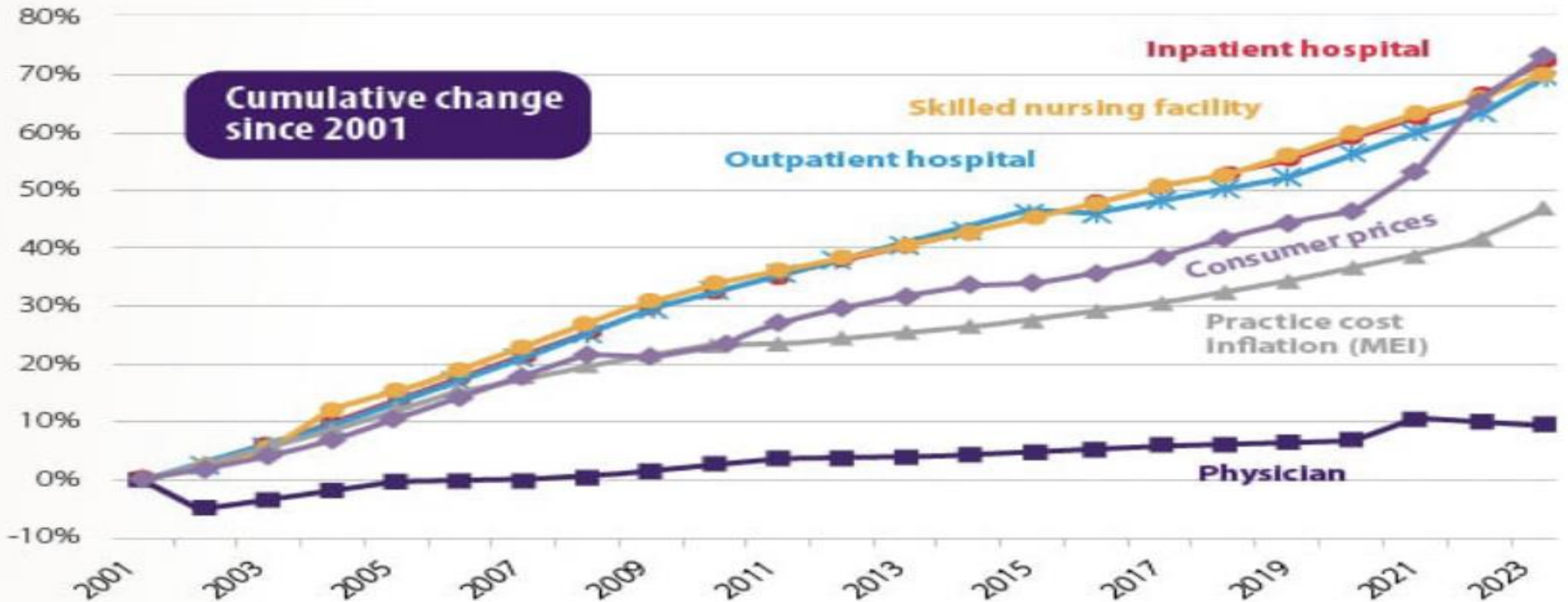
Our Practices: Swimming Against the Current



Challenges to Independent Practice

- Competing with large health systems with competitive advantages that distort the market
- Erosion of referral base due to reduced community primary/specialist
- Reduced patient access to practices care
- Limited ability to negotiate contracts/rates with Payers/Groups
- Reduced ability to recruit providers and staff in present labor market
- **Reduced revenue**
- **Increased cost, especially labor**

Medicare Physician Payment



Sources: Federal Register, Medicare Trustees' Reports, Bureau of Labor Statistics, Congressional Budget Office.

Are Our Contracts Keeping Up?

Date	Value of Reimbursement
2001	100% of Medicare
2023	65% (Inflation) Dollars
2023	155% of Medicare

If your contract is less, and you haven't kept up, but the payers/groups have



Biosimilars – A Race to the Bottom

Date ASP	Remicade	Inflectra	Renflexis	Avsola
2017 Q2	\$822	\$1,003		
2017 Q4	\$872	\$787		
2024 Q2	\$317	\$111*	\$305*	\$244*
	>67%	>86%		

Date ASP	Rituxan	Truxima	Ruxience	Riabni
2017 Q2	\$8,998			
2024 Q2	\$3,724	\$3,098*	\$2,028*	\$4,42*
	>67%	>86%		

*ASP + 8 < Acquisition Price

Unsustainable Business Model

ASP (+8) – Drug Acquisition Cost = Negative

Originator and Biosimilar Timeline

Originator	Patent Ex	# Biosim App	#Biosim Coming
Orencia	2019	0	Possibly 2
Stelara	9/23	2	5 and possibly 8
Actemra	9/23	2	1 and possibly 3
Cimzia	2/24	0	Possibly 2
Simponi Aria	9/24	0	Possibly 2
Prolia	2/25	1	Possibly >8
Benlysta	3/25		
Ocrevus	2029		Possibly 1

Independent Practice: Strategies for Survival

- Agenda
 - Panel Discussion
 - Articularis Healthcare Group: **Colin Edgerton, MD**
 - Arizona Arthritis & Rheumatology Associates: **Eric Peters, MD**
 - American Arthritis and Rheumatology Associates: **William Sunshine, MD**
 - United Rheumatology: **Andrew Concoff, MD**
- Questions (as time permits)

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