

CSRO

CELEBRATING 20 YEARS

Political & Advocacy Update

PRESENTER

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Presentation Overview

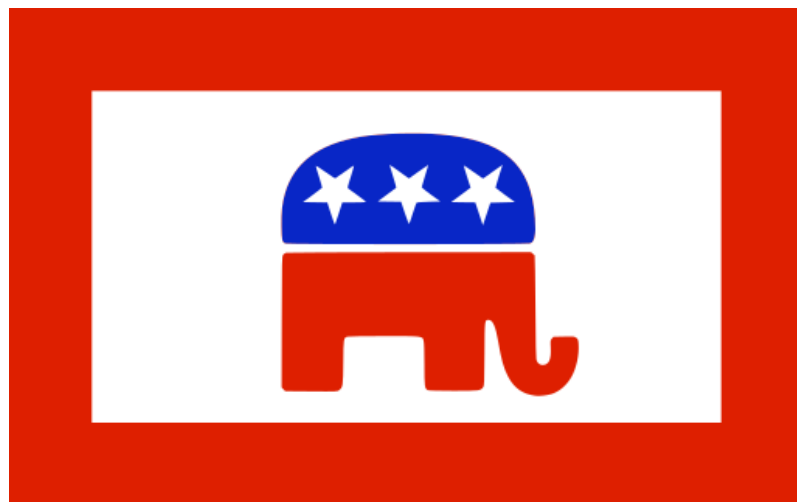
- Political Update
- CSRO's Federal Legislative Issues
 - PBM Reform
 - Utilization Management
 - Fee Schedule
- Questions?

The more things change ...



Thomas Nast, 1874, *Library of Congress*

Election 2024



Where does that leave us?

No room for large-scale bills that must advance on party-line votes



Room to address defined problems with targeted, practical solutions

Utilization management reform

No room for bipartisan cooperation on issues of major ideology



Room for non-political bipartisan oversight work

PBM reform

CSRO's Federal Legislative Issues

Pharmacy Benefit Manager (PBM) Reform

- Transparency
- Rebate pass-through
- Delinking

Utilization Management Reform

- Step therapy
- Non-medical switching
- Prior authorization
- Protect access to copay assistance

“Hybrid” Legislative & Regulatory Issues

- Medicare reimbursement
- Implementation of the *Inflation Reduction Act*

Theme: Patient access to care.

Pharmacy Benefit Manager (PBM) Reform

Federal PBM reform bills fall into five major categories:

1. Transparency: Generally it seems that transparency is now considered a necessary foundation for other reforms, but not sufficient in and of itself.
2. Pharmacy-facing reforms (i.e., prohibitions/limitations on spread pricing and patient steering)
3. Delinking drug list prices from PBM income.
4. Mandating pass-through of price concessions.
5. Improving patient access (i.e., utilization management, copay assistance, etc.)

There are many PBM-related bills, but the most comprehensive bills are the following:

- ***Pharmacy Benefit Manager Reform Act (S.1339)***
 - Status: Reported out of the HELP Committee.
- ***Modernizing and Ensuring PBM Accountability Act***
 - Status: Reported out of the Senate Finance Committee on July 26.
 - Committee will have at least one more markup in the fall to consider additional provisions.
- ***Protecting Patients Against PBM Abuses Act (H.R.2880)***
 - Status: Referred to Committees of jurisdiction, but no markup yet.

Key Provisions in Current Versions of Major PBM Reform Bills

	Transparency	Spread pricing prohibition/limitation	Delinking	Pass-through	Patient access
<i>Pharmacy Benefit Manager Reform Act (S.1339)</i>	✓	✓	✗	✓ <i>Pass-through accrues to payers.</i>	✓ <i>Includes Safe Step Act</i>
<i>Modernizing and Ensuring PBM Accountability Act</i>	✓	✓	✓	✗ <i>Cte. working to include.</i>	✗
<i>Protecting Patients Against PBM Abuses Act (H.R.2880)</i>	✓	✓	✓	✗	✗

Utilization Management Reform

Safe Step Act (S.652/H.R.2630)

- To reform step therapy in ERISA plans
- Significant momentum: reported out of Senate HELP Committee as part of PBM reform legislation; has received discussion at House markups

Improving Seniors' Timely Access to Care Act

- To reform prior authorization in Medicare Advantage (MA)
- Passed the House Sept. 2022; stalled in the Senate due to unfavorable CBO score
- Sponsors are working with CMS to determine whether some of the changes can be accomplished via regulation
- Included in Ways & Means Committee markup of transparency legislation (H.R.4822) in July 2023

HELP Copays Act (H.R.830/S.1375)

- To prohibit the use of copay accumulators in Affordable Care Act exchanges
- 67 cosponsors in the House; 14 in the Senate

Medicare Physician Fee Schedule (MPFS)

- CY 2024 MPFS reflects a -3.4% update to the conversion factor
- Two sequestrations
 - Medicare 2% sequester: fully effective again as of July 2022
 - PAYGO sequester (4% for Medicare): averted for 2023 and 2024, but not eliminated
- Over 100 groups, including CSRO, sent a letter to Congress, urging lawmakers to begin the process of comprehensive physician payment reform
- Bipartisan *Strengthening Medicare for Patients and Providers Act* (H.R.2474) would provide an annual inflationary update

Inflation Reduction Act Implementation

- Part B drugs become fully subject to the new “maximum fair price” mechanism in the *Inflation Reduction Act* (IRA) in 2028
 - Effect on ASPs?
- Continued interest in ASP add-on reform: MedPAC
 - IRA: biosimilars +8%

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Questions?

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