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April 6, 2026

The Honorable Scott Peters
2369 Rayburn House Office Building
Washington DC 20515

RE: *Protecting Patient Access to Cancer and Complex Therapies Act (H.R.4299)*

Representative Peters,

As providers of Medicare Part B drugs, the Coalition of State Rheumatology Organizations (CSRO), the California Rheumatology Alliance (CRA) and the Southern California Rheumatology Society (SCRS), we thank you for cosponsoring the *Protecting Patient Access to Cancer and Complex Therapies Act*, a bipartisan effort that would remove physician Part B drug reimbursement from the middle of Medicare Drug Price Negotiation Program (MDPNP) negotiations while maintaining the savings secured under the Inflation Reduction Act for the federal government and Medicare beneficiaries.

CSRO, CRA and SCRS serve the practicing rheumatologist whose mission is to advocate for excellence in the field of rheumatology, ensuring access to the highest quality of care for the management of rheumatologic and musculoskeletal disease. Rheumatologic diseases, such as rheumatoid arthritis, psoriatic arthritis and lupus, are systemic and incurable, but innovations in medicine over the last several decades have enabled rheumatologists to better manage these conditions. With access to the right treatment early in the disease, patients can generally delay or even avoid damage to their bones and joints, as well as reduce reliance on pain medications and other ancillary services, thus improving their quality of life.

Inflation Reduction Act & the Medicare Drug Price Negotiation Program

The *Inflation Reduction Act* created the MDPNP, which allows Medicare to negotiate drug prices for select medications annually. In 2028, the MDPNP will be able to set a Maximum Fair Price (MFP) on Part B drugs, which are outpatient medications that are not typically self-administered and instead are provided to patients at a physician's office or hospital setting.

In September, CMS released the CY 2026 Medicare Physician Fee Schedule final rule, which outlined the impact of the Part B drug negotiations on physician reimbursement. Currently, CMS reimburses physicians at the Average Sales Price (ASP) plus a 6% add-on payment to account for acquisition costs. The ASP is a market-based price that considers the weighted average of all manufacturer sales prices for the drug, including rebates and discounts.

According to the final rule, for Part B drugs selected for the MDPNP, CMS will reimburse physicians at the MFP plus a 6%. Additionally, CMS will blend the MFP within the ASP calculation, which will deflate the overall ASP calculation used by health plans in the commercial market. According to a recent Avalere study,¹ this change in Part B provider reimbursement could decrease the Part B add-on payment by 42-61% in Medicare and could cut reimbursement by 12-18% in the commercial market.

Impact on Rheumatology Practices

Rheumatologists and other healthcare practices directly administer Part B biologic products to patients at their in-office infusion suites. These practices engage in the “buy-and-bill” model, whereby the medical practice purchases medications and submits a claim to the health plan for reimbursement once the medication is administered to a patient. This model allows patients to conveniently receive their essential medications at their physician's office instead of the hospital, reducing their exposure to hospital-based infections—a particularly important consideration for immunocompromised individuals who receive physician-administered drugs. This model is also far more cost effective, with hospital outpatient departments charging an average of 129-211% more for drug administration reimbursement than freestanding physician offices.ⁱⁱ

However, margins for practices engaged in buy-and-bill are thin. These practices depend on the 6% add-on payment to account for variability in provider acquisition costs. Reimbursement rates that do not sufficiently compensate for acquisition costs put healthcare practices at risk. The MFP will cause a precipitous drop in Part B drug reimbursement calculations, which would lead to inadequate, or “underwater,” reimbursement, forcing providers into an untenable position.

Given the thin margins these practices currently operate under, extreme reimbursement reductions for these medications would be unsustainable for private physician practices. In fact, some practices are already underwater on certain biosimilar medications, forcing providers to choose between administering the drug at an unsustainable financial loss or transferring the patient to another site of service that may be able to absorb the ASP loss, such as the hospital. Driving patients into the hospital for this care will drive up the cost of these services, which is counterproductive to the overall drug affordability goals of the Congress and White House. Ultimately, the patient may lose access to the prescribed medication altogether, which could result in higher healthcare costs as a consequence of loss of control of their disease or the higher costs of an alternative treatment.

The Solution

We thank you for joining your Democrat and Republican colleagues as a cosponsor of the *Protecting Patient Access to Cancer and Complex Therapies Act*, which would remove physician Part B reimbursement from the middle of MDPNP negotiations while maintaining the savings secured under the Inflation Reduction Act for the federal government and Medicare beneficiaries. This bipartisan legislation would protect 60 million Medicare beneficiaries’ access to Part B medications by allowing CMS to apply the Maximum Fair Price to Part B drugs negotiated under the MDPNP. It would remove the MFP from provider reimbursement calculations for Part B selected drugs and instead basing reimbursement on ASP +6%, and it would require pharmaceutical manufactures to directly pay CMS a retrospective rebate equal to the difference between the ASP + 6% and the MFP + 6% for all Part B selected drugs. Most importantly, this bill would preserve patient coinsurance as written in the IRA at MFP +6%.

We appreciate your support and we stand ready to continue to advocate for the advancement of this important policy.

Respectfully,

Samy Metyas, MD
President
California Rheumatology Alliance

Howard Yang, MD
President
Southern California Rheumatology Society

Aaron Broadwell, MD, FACP
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Coalition of State Rheumatology Organizations

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ⁱ Avalere Health. [“Commercial Spillover Impact of Part B Negotiations on Physicians.”](#) September 2024.

ⁱⁱ Actuarial Research Corporation. [“Potential Impacts of Medicare Site Neutrality on Off-Campus Drug Administration Costs.”](#) October 2023.