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555 E. Wells Street, Suite 1100
Milwaukee, WI 53202-3823
Phone: 414-918-9825
Email: info@csro.info
Website: www.csro.info

May 22, 2024

Andrew Witty, Chief Executive Officer
UnitedHealth Group
P.O. Box 1459
Minneapolis, MN 55440-1459

Dear Mr. Witty,

CSRO is comprised of over 40 state and regional professional rheumatology societies 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. Our coalition serves the practicing rheumatologist.

The Coalition of State Rheumatology Organizations (CSRO) continues to receive reports from practices nationwide about the financial challenges posed by certain preferred biosimilars for which acquisition costs exceed reimbursement levels. The financial losses for physicians put them "underwater" as a result of the acquisition costs for the preferred drugs far surpassing the reimbursement from the health insurance company that constructed the formulary. This leaves rheumatologists subsidizing the cost of care for UHC group members.

This has been brought to the attention of United Health Care (UHC) by the American College of Rheumatology and multiple rheumatology private practices from around the country. Unfortunately, while attempts have been made to rectify this situation, it remains untenable. There has been no urgency in those attempts, and steps thus far have been inadequate. We need a permanent solution that assures rheumatologists they will no longer be used as "pawns for profit." Around the country, rheumatologists have voiced that is how they feel. This situation has enhanced the break down in trust among your network providers. For further information on how we got here, please see the attached Rheumatology News column (Rheum for Action).

How Widespread Is the Problem?

To help quantify the magnitude of this issue, CSRO recently conducted a survey of its membership. A shocking 97% of respondents reported that their practice had been affected by reimbursement rates for some biosimilars being lower than acquisition costs, with 91% of respondents stating that this issue is more pronounced for certain biosimilars than others. Across the board, respondents most frequently identified Inflectra® and Avsola® as being especially affected: over 88% and over 85% of respondents identified these two products, respectively, as being "underwater." These results support the ongoing anecdotal reports CSRO continues to receive from rheumatology practices.

However, the survey results indicated that this issue is by no means confined to those two biosimilars. Truxima®– a biosimilar for Rituxan®– was frequently mentioned as well. Notably, respondents almost uniformly identified biosimilars in

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the infliximab and rituximab families, which illustrates that this issue is no longer confined to one or two early-to-market biosimilars but has almost become a hallmark of this particular biosimilars market. Remarkably, one respondent commented that the brand products are now cheaper to acquire than the biosimilars. Furthermore, the survey included respondents from across the country, indicating that this issue is not confined to a particular region.

A Real Solution vs. Band-Aids on the Problem

Will it take every patient in the country utilizing AI to automatically write an appeal letter for a step therapy exception to this flawed policy, before any meaningful effective solution is put forth? The appeal process only exacerbates the delay in care and increases the cost for the patient, both in their health and pocketbook. These delays in care ultimately increase costs for the entire system, particularly the self-insured employers. What is needed is a comprehensive solution that addresses the root of the problem **without** increasing administrative burdens for everyone, including UHC.

Take away the mandated "fail first" use of any underwater biosimilar allowing the physician to choose the reference product or a different biosimilar that is not "underwater." Clearly, in a free market, the service provider should not have to pay to take care of the consumer. If practices are forced to lose money to care for your members, soon they will need to close their doors leaving **only high-cost sites of care**. Once again, self-insured employers will carry the burden of higher costs.

Conclusion

In conclusion, it is crucial that UHC, in alignment with its mission to "help people live healthier lives and make healthcare work better for everyone," addresses this issue. CSRO stands ready to collaborate on any solution that would alleviate this problem and ensure the continued provision of high-quality care for patients with rheumatologic and musculoskeletal diseases. It is our collective responsibility to ensure that the healthcare system works for all its stakeholders, and we look forward to seeing positive changes in the near future.

Sincerely,

Madelaine A. Feldman, MD, FACR
Coalition of State Rheumatology Organizations
Vice President of Advocacy & Government Affairs

Cc:
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