

POLICY UPDATE

Winter 2025



The President's Message

I am honored to introduce myself as the new President of the Coalition of State Rheumatology Organizations (CSRO) for the next three years. Having served on CSRO's Board of Directors since 2014, it is a privilege to be selected to step into this new role and lead our dedicated community as we face both challenges and opportunities in the evolving health-care landscape.

Our organization is committed to advocating for the needs of our patients and the professionals who care for them. One of our most pressing challenges is the ongoing issue of Medicare physician payment cuts. We will work not only to reverse these cuts but also to collaborate with Congress on a sustainable, long-term solution to ensure Medicare patients maintain access to vital rheumatology care.

We will continue to leverage our strong relationships on Capitol Hill to advocate effectively, building on past successes such as preserving the ability to bill complex codes for rheumatology infusions. Additionally, we must address the critical issue of biosimilar reimbursement, where rheumatologists often pay more for biosimilars than they are reimbursed. Rectifying this imbalance will be a key focus in our efforts to support our members and their patients.

Our mission remains clear: to safeguard and expand access to high-quality rheumatologic care. As the healthcare environment grows increasingly challenging, CSRO will remain a steadfast advocate for our community and the patients we serve.

I extend my heartfelt thanks to our tireless board members, whose dedication makes CSRO's work possible, and to our invaluable supporters – including private practices and industry partners – whose collaboration strengthens our efforts.

Together, we will continue to advance the interests of rheumatology and ensure a brighter future for our patients and profession.

Sincerely,

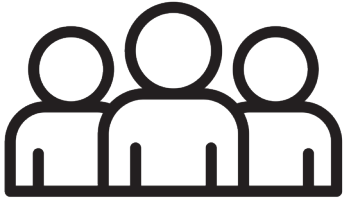
A handwritten signature in black ink that reads "Aaron Broadwell".

Aaron Broadwell, MD, FACR
President of the Board of Directors

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At Work: CSRO Drives Alternative Funding Program Reform Through Task Force



During the 2024 Louisiana state legislative session, CSRO was a vocal advocate in support of legislation that would ban the use of Alternative Funding Programs (AFPs) in the state.

AFPs are third-party vendors that partner with employer-sponsored health plans to offer “alternative” coverage for the plan participants’ specialty drugs. These deceptive programs offload insurance company responsibility by toying with patient coverage for the sake of corporate profits.

While CSRO advocated in support of legislation that would ban these programs, the legislature ultimately did not sign those provisions into law and instead passed House Resolution 96, which established the Louisiana Alternative Funding Program Task Force. This Task Force was created to study the impact of alternative funding programs on patient access to affordable prescription drugs. CSRO’s Vice President of Advocacy & Government Affairs Dr. Madelaine Feldman was appointed to the Louisiana Task Force as well as Joni Fontenot, RN, of the Rheumatology Nurses Society and Rheumatology Alliance of Louisiana. Other Task Force participants included representatives from the state pharmacy and medical societies, health plans, AFL CIO, PhRMA and patient

advocates. The Louisiana Department of Insurance conducted several Task Force meetings during which subject matter experts were invited to provide insights into AFPs.

In October 2024, the Aimed Alliance, of which CSRO is a member, testified on the prevalence of AFPs and the harmful practices that can negatively impact patient access to critical medications. The Task Force also heard from James Napoli, an attorney specializing in employee benefits, healthcare reform and ERISA (the *Employee Retirement Income Security Act of 1974*). Napoli provided insight into the state’s ability to pass legislation addressing AFPs in light of state and federal insurance law. Dr. Feldman, who serves on the Task Force on behalf of the CSRO and Rheumatology Alliance of Louisiana, noted the anticipated 2025 NBPP ruling on EHBs may impact the use of AFPs.

Following months of testimony from experts, the Task Force produced a draft report on its findings, which it will ultimately submit to the state legislature per legislative mandate. CSRO provided substantive recommendations to the report to more clearly articulate the egregious practices of AFPs and to better protect patients from their predatory business practices. While the Task Force was slated to submit its report to the legislature before December 31, 2024, the report is still pending at the time of this publication.

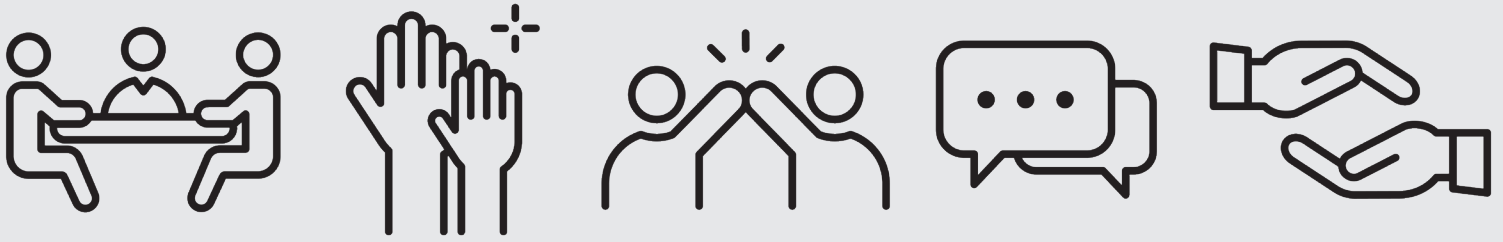
HOW DO ALTERNATIVE FUNDING PROGRAMS WORK?

Health plans lure employers into utilizing third party vendors, known as AFPs, with the appeal of reducing employer health costs. AFP vendors work with the health plan to remove coverage for all or most specialty medications on the formulary. This allows the AFP to manage those medications. Patients prescribed specialty medications are “encouraged” to enroll in the AFP for those prescription drugs. If they decline to enroll, the patient is responsible for paying 100% of that medication out-of-pocket.

For patients who enroll, the AFP determines where they can receive their specialty medicine, including through a manufacturer patient assistance program (PAP), a non-profit charitable assistance program, or an international pharmacy. This can be a lengthy process and often delays care as the AFP works to secure discounts and funding to cover the medication. Any funding received does not go toward the patient’s overall annual out-of-pocket maximums or deductible, and they may be forced to reapply for assistance every time they need their prescription filled.

If the AFP cannot secure outside funding, the patient may have to appeal to their health plan for an exception or could be required to pay 100% of the cost of their medicine.

State Advocacy: CSRO's 2024 Legislative Successes



For more than 20 years, CSRO has remained dedicated to ensuring access to the highest quality care for the management of rheumatologic diseases by actively advocating at both the state and federal level to aid rheumatologists in protecting their patients and their livelihood.

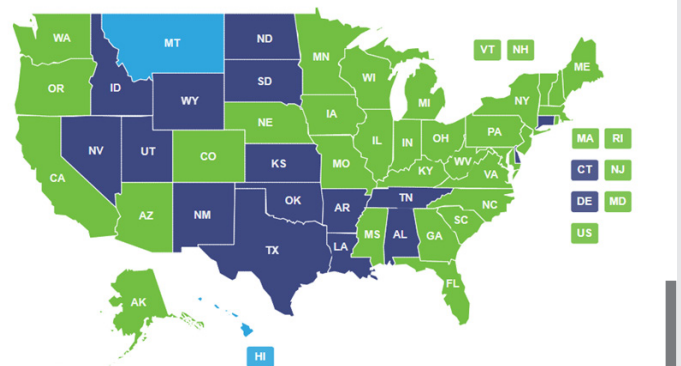
Our work throughout 2024 helped to *move the needle in the fight to improve access to care*. CSRO advocated in support of several measures that were signed into law that:

- **Colorado:** Ensures coverage for biomarker testing for all large group health benefit plans
- **Connecticut:** Ensures coverage for biomarker testing for Medicaid plans
- **Florida:** Ensures coverage for biomarker testing for Medicaid and state employees' state group health insurance plan policies
- **Illinois:** Prohibits the use of step therapy
- **Indiana:** Ensures coverage for biomarker testing for state employee health plans, select Medicaid programs and other health plans
- **Iowa:** Prohibits health plans from imposing policies that compel non-medical switching; ensures coverage for biomarker testing for all state regulated insurance companies, including Medicaid
- **Louisiana:** Established a Task Force to study the impact of Alternative Funding Programs
- **Maryland:** Requires health plans and PBMs to utilize electronic prior authorization requests and other patient protections regarding prior authorizations
- **New Mexico:** Prohibits the use of step therapy for autoimmune diseases, except when a generic is available; limits prior authorization protocols for autoimmune diseases
- **New York:** Prohibits the use of certain step therapy protocols
- **Oregon:** Bans the use of copay accumulator adjustment programs
- **Pennsylvania:** Ensures coverage for biomarker testing for all state-regulated health plans, including Medicaid
- **Vermont:** Limits the use of certain step therapy protocols

Visit CSRO's Map Tool at www.csro.info/map and click on your state to find resources and information about these new laws, as well as other existing laws in your state.

Want to know about the laws in your state?

Check out CSRO's award-winning map tool!



Medicare Physician Payment Fix: CSRO's Strides



On January 1, 2025, the Medicare Physician Fee Schedule cut of 2.83% went into effect. Throughout the fall of 2024, CSRO regularly engaged members of Congress to stress the need to preemptively address the CY 2025 Medicare Physician Fee Schedule (MPFS). With this cut now in effect, physicians face a total 6.4% cut due to the additional CMS estimated increase in practice expenses for 2025 at 3.6%. This marks the fifth consecutive year of cuts to the Medicare physician payment, although Congress has repeatedly canceled the cuts. According to the AMA, Medicare reimbursement for physician services has declined 29% from 2001 to 2024, when adjusted for inflation.

In September 2024, CSRO joined a provider sign-on letter to Congressional Leadership urging them to adjust physician payments annually with an inflationary update. CSRO also joined the Alliance of Specialty Medicine in calling on CMS to work with Congress on a permanent solution to the broken physician payment system, which has failed to keep pace with inflation over the last several years. The coalition also endorsed CMS' intent to make regular and consistent updates for direct and indirect practice expenses.

In its own comments and in leading a coalition of physician and provider organizations, CSRO voiced support for proposed revisions to CMS' program manuals that would better account for the complexity of non-chemotherapy drug administrations, aimed at addressing the broader issue of down-coding by Medicare Administrative Contractors (MACs). CSRO and the coalition also urged CMS to take additional action to establish documentation guidelines and prohibit retroactive audits for certain complex drug administration services.

In October 2024, CSRO contacted over 100 Congres-

sional offices encouraging members to join a letter circulated by Representatives Miller-Meeks, Panetta, Murphy, Ruiz, Bucshon, Schrier, J. Joyce and Bera. CSRO strategically engaged members of the House Energy & Commerce Committee and House Ways & Means Committee, which have jurisdiction over the issue, as well as existing cosponsors of legislation that would fix the MPFS. The letter sent by Rep. Miller-Meeks et al. details a Congressional letter that will be sent from House members to House leadership urging an update to the MPFS. Most notably, the letter urged Congressional Leadership to advance legislation that:

- provides physicians with a permanent, annual inflationary update in Medicare equivalent to the Medicare Economic Index (MEI).
- enacts targeted reforms to statutory MPFS budget neutrality requirements
- raises the current MPFS budget neutrality threshold to be reflective of 2024 dollars
- requires CMS to cross-check utilization assumptions associated with a narrow set of newly unbundled codes that trigger budget neutrality cuts to correct any misestimates
- mandates CMS review key elements of practice expense costs concurrently and no less often than every five years
- limits changes to the MPFS conversion factor to no more than 2.5 percent in a given year

While CSRO continued to advocate for meaningful long-term reform, this immediate fix was essential to prevent cuts that were upcoming to physician reimbursement.

In November 2024, Representative Greg Murphy, MD and other physician colleagues in the House of Representatives introduced the bipartisan *Medicare Patient Access and Practice Stabilization Act* (H.R.10073), which would eliminate the 2.8% conversion factor cut to the Medicare Physician Fee Schedule and provide a 1/2 Medicare Economic Index (MEI) update for 2025. CSRO was recognized as a supporting organization of this measure.

CSRO was extremely disheartened that Congress failed to address the 2.8% cut to the Medicare Physician Fee Schedule in December 2024 within the year-end package. This cut is harmful to physician practic-

Payment Fix *continued*

es and must be addressed to ensure practice viability. Since the start of the new year, CSRO has conducted several conversations with congressional offices and continues to stress the need to immediately address this cut in the new Congress.

In February of this year, Representatives Greg Murphy, MD and Jimmy Panetta, along with a bipartisan group of legislators, reintroduced the *Medicare Patient Access and Practice Stabilization Act* (H.R. 879). The bill would eliminate the 2.83% cut and provide a 2% payment update, effective April 1. Reps. Murphy and Panetta are working to include this measure within the upcoming Continuing Resolution, which is set to expire on March 14. CSRO will continue to advocate for a legislative solution until physician payments are addressed.

25 members of the House have already sponsored the Medicare Patient Access and Practice Stabilization Act.

CSRO urges the rheumatology community to visit our Action Center and encourage your Representatives to support this bill.



Advocacy in Action: CSRO on Capitol Hill



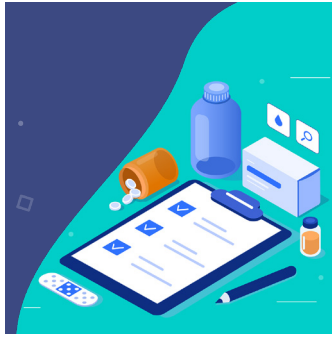
CSRO's Executive Committee met with 11 congressional offices – including those of Speaker Johnson, Leader Scalise, Sen. Cassidy, and Rep. Pallone – during a November 18, 2024, visit to Capitol Hill. Drs. Gary Feldman, Madelaine Feldman, Aaron Broadwell, and Michael Saitta were joined by Drs. Firas Kassab and Elnaz Balashi, as well as CSRO Executive Director Leslie Del Ponte meet to discuss *Lame Duck* priorities with these prominent offices. ‘Lame Duck’ refers to the period after the November 5 elections and before the 119th Congress is sworn into office on January 3, 2025. During this time, Congress meets to wrap up urgent or unfinished business.

During their congressional meetings, CSRO leaders spoke to members about the need to address:

- The 2.8% cut to the Medicare Physician Fee Schedule before its January 1, 2025, start date;
- Pharmacy Benefit Manager (PBM) reform and incorporate delinking and rebate pass through within any end-of-year package; and
- The “underwater” biosimilar crisis that is hurting physicians and limiting patient access to biosimilar medications.

CSRO appreciated the opportunity to share our experiences and highlight the issues that are impacting the rheumatology community.

Priority Issues: CSRO Advocates for 340B Reform



In September 2024, CSRO released its explanatory statement and policy principles on the 340B Drug Pricing Program, offering recommendations on ways to strengthen the program and better protect patient access. In the following months, CSRO and the Michigan

Rheumatism Society jointly shared concerns regarding legislation that would allow for significant growth in the 340B drug discount program and fails to incorporate guardrails that ensure patient access to discounted medications.

While the Michigan legislation died at the end of session, we anticipate it will be reintroduced, along with legislation in several other states. At the time of publication, CSRO had already submitted letters of concern on 340B legislation introduced in 2025 in Kentucky, Nebraska, New York and South Dakota.



View CSRO's 340B Documents

What is 340B?

The 340B Drug Pricing Program began as a noble endeavor, a lifeline designed to help safety-net providers deliver affordable care to America's most vulnerable populations. The program was intended to provide discounted outpatient medications for qualifying hospitals and clinics that treat low-income and uninsured patients. However, over the years, this well-intentioned program has strayed from its original purpose, becoming a lucrative space where profits often outweigh patients.

How does this impact rheumatologists?

Unfortunately, the program plays a strong hand in the healthcare consolidation that continues to threaten

private physician practices. These acquisitions threaten the viability of rheumatology practices across the United States. Covered entities, such as hospitals and their off-campus facilities, have a competitive advantage as they can purchase drugs at a 20-50% discount through their 340B status. The additional revenue these covered entities can pocket provides them with a cash flow advantage that physician practices and outpatient clinics will never be able to actualize. This uneven playing field may make rheumatology practices more susceptible to hospital acquisitions. Between 2016-2022, large 340B hospitals were responsible for approximately 80% of hospital acquisitions.

Want to learn more?

CSRO's Vice President of Advocacy & Government Affairs Dr. Madelaine Feldman recently published an article in CSRO's advocacy column *Rheum for Action* titled "Abuse of the Safety-Net 340B Drug Pricing Program: Why Should Physicians Care?" This article discussed what the 340B program is and why independent practice physicians should care - visit www.csro.info/news/rheum-for-action to view this and other editions.

Additionally, CSRO will host a webinar on March 10 to share insights on the critical need for broad reform of the federal 340B program, how state and federal legislation is shaping the program, and how CSRO is working to protect rheumatologists and their practice partners.

This webinar, titled *340B Drug Pricing Program: Exploring the Impact on Rheumatologists*, will be moderated by CSRO expert Dr. Madelaine Feldman. She will be joined by Jenny Goins, of the National Alliance of Healthcare Purchaser Coalitions, Thomas Johnson, of ASAP 340B, and Amanda Krzepicki, of the Autoimmune Association.

Visit www.csro.info/conferences/upcoming-events to learn more and register.

Rheum for Action, CSRO's advocacy column authored by Dr. Madelaine Feldman and produced in partnership with *Rheumatology News*, shares updates on current advocacy issues.



Underwater Biosimilars Resource Document

CSRO continues to receive reports from practices around the country about certain biosimilars' acquisition costs exceeding reimbursement.

To aid in addressing this issue with payers, CSRO has created a resource document that illustrates the extent of the problem – check it out.



Aligned Priorities: CSRO & ACR Lead Coalition to Address Underwater Biosimilars



CSRO and ACR jointly lead the Underwater Biosimilars Coalition, which consists of nearly 50 provider and patient groups and works to address this "underwater" reimbursement for provider-administered biosimilars.

In October 2024, CSRO and ACR met with the Centers for Medicare & Medicaid Services (CMS) and the Medicare Payment Advisory Commission (MedPAC) on behalf of the Coalition to raise awareness to significant challenges patients, including Medicare beneficiaries, face accessing biosimilar medications administered in office and hospital settings. Specifically, the Coalition highlighted the disconnect between the high acquisition costs of biosimilar therapies and the low reimbursement rates under the average sales price (ASP) methodology, as well as the impact of "step therapy" policies that prevent patients from accessing alternative drugs when the biosimilar is "underwater." Both agencies understood the challenges, and CMS highlighted its CY 2025 Medicare Physician Fee Schedule (PFS) proposals that aim to mitigate the issues.

In a December 2024 letter to congressional leadership, the Coalition educated members of Congress about the underwater reimbursement of biosimilar products. Congress has been focused on ways to improve biosimilar access, through legislation like the *Biosimilar Red Tape Elimination Act* (S.2305). The Coalition warned that while the legislation aims to improve access to biosimilars, the bill fails to recognize an immediate serious barrier to patient access to provider administered biosimilars – "underwater" provider reimbursement.

Without addressing this inadequate, or "underwater" reimbursement, patients will continue to lose access to needed biosimilars and their reference product (i.e., brand biologics) and biosimilar adoption will continue to hit roadblocks. This situation may only worsen as more provider-administered biosimilars come to market.

The Coalition is currently working to identify legislative solutions that it can bring to the 119th Congress and will continue to make efforts to address this reimbursement crisis for rheumatology providers.



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Free Resource: Bi-Weekly Update



CSRO sends a bi-weekly email with updates on relevant legislation and advocacy efforts, along with our current events and news, as a *free resource to the rheumatology community*.

Visit www.csro.info/news/bi-weekly-update to review past emails and sign up to receive our updates directly to your inbox.

Upcoming Events

340B Drug Pricing Program Webinar: March 10, 2025

Hear from advocates and policy experts about the critical need for broad reform of the federal 340B program, how state and federal legislation is shaping the program, and how CSRO is working to protect rheumatologists and their practice partners.

Business of Rheumatology: 2025 Topics Launching Soon

CSRO's virtual seminar series to help support rheumatology practices in building and strengthening their business.
Support for this series provided by: Johnson & Johnson

Virtual Advocacy Day: Fall 2025

Advocate alongside CSRO as we host live conversations with health care leaders from the U.S. Senate and House of Representatives.

Advocacy Conference: September 12-14, 2025

Mark your calendars to join CSRO this fall for our flagship event at a new location in Dallas, Texas.

Fellows Conference: March 6-8, 2026

Annual CSRO event curated by rheumatologists for rheumatology fellows to help them transition into the next phase of their careers and is being held at a new location in New Orleans, Louisiana.



Visit our website to learn more & register to join us!