



President's Message



*Madelaine A. Feldman,
CSRO President*

With the turning of the decade I have recently been reflecting on CSRO's growth and achievements over the course of the past ten years. There is hardly enough space in this message to discuss an entire decade's worth of work on issues of import to rheumatologists and our patients, but I would like to take this opportunity to applaud the hard work that rheumatologists have undertaken to grow and establish societies across the country. State rheumatology societies serve as important mediums to convey information, and coordinate the voices of rheumatologists everywhere. CSRO is proud of the work it has undertaken to support the growth of state societies, and of advocacy resources it continues to offer these societies. 2020 marks the beginning of a decade that will present new opportunities, but also the emergence of new challenges.

State rheumatology societies, and cooperation amongst stakeholders in the rheumatology community, will prove crucial to meeting these challenges.

One such challenge will be attempts by payers to move away from the buy and bill acquisition system. We have begun to see discrete examples cropping up that appear to be a bellwether for these policies' metastasis across the country. CSRO will work with stakeholders in the rheumatology community to fight back against these policies, and encourage state society members to contact CSRO if these policies are being implemented in your state.

Affordability and access to rheumatologic care are crucial components of fulfilling CSRO's mission. With this in mind, CSRO has continued to position rheumatology as a stakeholder in these conversations, helping to advance legislative and regulatory initiatives that improve patient access and physician practice. Successes across the country reforming utilization management tools fall within this framework, and CSRO will continue building on its leadership in this arena.

CSRO will also continue to monitor and engage at the federal level. Although the upcoming elections will likely stall Congress's legislative activity, regulatory initiatives will continue to be an important venue to lend the perspective of rheumatology.

As state legislatures return from their breaks I invite each of you to learn more about the resources that CSRO offers by visiting csro.info, or getting in touch with CSRO staff by emailing info@csro.info. We look forward to working alongside and for you this year.

Sincerely,

Madelaine A. Feldman, MD, FACR
President, CSRO

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THE COALITION OF STATE
RHEUMATOLOGY ORGANIZATIONS

Since it was founded in 2003, CSRO's mission has been to advocate for excellence in the field of rheumatology.

CSRO Opposes New Policy by BCBS Tennessee

The CSRO issued a press release in January of 2020 voicing concerns for patients who will fall victim of a dangerous new prescription policy. New requirements from BlueCross BlueShield (BCBS) of Tennessee, which may be a bellwether for other insurers, are reversing the trend providers have achieved in keeping prices down for physician administered medications.

Normally provider administered drugs are obtained via a “buy and bill” system where a provider purchases medication and bills the insurance company under a patient’s medical benefit. The new BCBS TN policy moves the acquisition of these administered medications away from the physician to the patient’s pharmacy benefit, handled by pharmacy benefit managers (PBMs).

“Now PBMs and insurers are integrated, they finally have the chance to move payments away from the medical side and put it on the pharmacy side, where more money is made with rebates and hidden fees,” said Dr. Madelaine Feldman, president of the CSRO.

BCBS TN responded to CSRO’s claims with a press release stating their program does not require a change in the site of care for members.

BCBS TN stated, “If that occurs, providers are forcing that choice on their patients. Our program also continues to pay providers to

administer the same drugs, as before, but changes the source for the drug being shipped to providers’ offices.”

CSRO responded by saying, “BCBS TN decision makers must realize that by removing the ‘buy and bill’ system, the added expense and logistics burden placed on doctors will prevent them from being able to infuse patients in their offices. To suggest otherwise is pure fantasy.”

The Centers for Medicare and Medicaid Services (CMS) dashboard purports that prices of Part D medications, those managed by a PBM, rise at much faster rates than physician “buy and bill” Part B medications.

Dr. Robert Levin of the Alliance for Transparent and Affordable Prescriptions (ATAP) added, “We make decisions based on the needs of our patients, including how and where care is given. Needlessly driving up prices and making treatments more complicated to obtain is moving health care in the wrong direction. Patients deserve better.”

The CSRO is continuing to contest this policy and is encouraging advocates to reach out to CSRO staff for opportunities to engage and stay updated with the latest information. The full press release and statement can be found on the website at www.csro.info.

Non-Medical Switching Heating Up in Indiana



In the on-going battle over costs, health insurance companies use tactics that often come at the expense of those battling chronic and complex illnesses. Non-medical switching is a strategy used by health plans to reduce expenses by switching the prescription for a stable patient to a preferred drug — for reasons unrelated to the patients’ well-being and in some cases without warning. It must be noted that these switches are not always cheaper for the healthcare system. Patients with complex and chronic illnesses are especially vulnerable because even small deviations in their plan of care can have an outsized impact on how well their condition is managed. These disruptions have downstream financial impacts for patients and the healthcare system alike when additional resources are utilized to regain control of a patient’s diseases.

Currently, there are no protections in Indiana state law from non-medical switching. Proper patient care should not be compromised by insurers that do not spend sufficient time evaluating treatment options on a case-by-case basis. Legislation is needed to guarantee that insurers honor their contracts with patients, and prioritize the value of treatment stability. CSRO has spearheaded efforts to change that.

During the spring 2019 HEA 1029 called on the Indiana legislature to investigate issues relate to drug pricing, supply chain transparency, and access. As a result of this resolution, an interim committee on public health, behavioral health, and human services was tasked with holding a series of hearings to study these issues in more detail. CSRO took the opportunity to educate the committee members about the issue of non-medical switching, and the impact it has on patients with complex and chronic illnesses in Indiana. After learning more about the issue, the committee endorsed language that would later be introduced as **SB 97** at the beginning of the 2020 session. The legislation, spearheaded by Senators Becker and Charbonneau, currently prohibits certain health plans under state regulatory jurisdiction from modifying an enrollee’s coverage of a drug they are stable on during the course of the plan year.

The legislation was ultimately passed out of the Senate Health and Provider Services committee unanimously, but has since stalled in the Appropriations committee. CSRO continues to work with policymakers in Indiana to find a vehicle and path forward for this important legislation so patients in Indiana can enjoy its protections.

COALITION OF STATE RHEUMATOLOGY ORGANIZATIONS

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Recapping the ACR Annual Meeting

CSRO's officers and board of directors traveled to Atlanta, Georgia in November to attend the American College of Rheumatology's annual meeting. Over 20,000 professionals, exhibitors, and other people from almost 100 different nations gathered to learn from more than 450 peer-reviewed sessions covering the most important and compelling issues in rheumatology today. At the meeting, the speakers explored a plethora of cutting-edge topics and controversial issues facing rheumatologists today. One in particular was the focus on minimizing steroid exposure when treating rheumatoid arthritis, lupus, and vasculitis. Many speakers also honed in their sessions on the use of opioids when treating rheumatologic diseases.



Throughout the duration of the conference, the CSRO held numerous meetings with professional organizations in the health care industry, as well as with other advocacy societies. On the first official day of meeting, the CSRO hosted a breakfast reception with state rheumatology societies from across the country. At this reception, detailed plans were laid out for setting and achieving 2020 goals. This occasion also served as a chance for CSRO to unveil its upcoming 'Map' feature on its website. Using the new feature, individuals will easily be able to both see legislation regarding rheumatology in their state, as well as contact their respective legislators directly. This will streamline the process when reaching out to elected representatives. Attendance at CSRO's annual state society breakfast at the ACR is a good opportunity for state society leaders to learn more about the resources CSRO offers, CSRO's plans for the upcoming year, and see how CSRO is thinking about pertinent issues. We encourage leaders of each state society to attend continue the conversation with us!

Join Us for the ACR 2020 Conference!
November 7 - 10, 2020
Washington, D.C.

Subscribe to the CSRO mailing list for more information and regular updates.

Ohio PBM Reform Sees Immediate Results

For the last couple of years, the issue of Pharmacy Benefit Managers (PBMs) and their impact on the health care system has been a topic of much concern in both the state of Ohio and the nation as a whole. PBMs are companies hired by insurers to manage drug benefit programs. They essentially act as middlemen between insurers, manufacturers, and pharmacies and thus have a uniquely central role in the drug market, handling everything from setting patient copayment amounts to determining which drugs are covered by which health plans. They originated as an obscure part of the pharmacy supply chain but have since been criticized by pharmacists and lawmakers, who say the PBMs aren't transparent and keep too much of the tax money they manage.



To combat this, the state overhauled the program, leading PBMs to pay out more money to pharmacists. According to a study sponsored by Ohio Medicaid, results showed a 5.74 percent increase in amounts paid to pharmacies in the first quarter of 2019 under the new system. Increased payouts to pharmacies typically mean greater access to essential drugs and lower costs for patients. However, when PBMs keep the money for themselves and pay pharmacists too little for certain drugs, it can have real consequences for a community. A local pharmacy might refuse to stock a drug that members of the surrounding community rely on or might close altogether and limit access to care.

Ohio Medicaid's main concern was that PBMs needed to become more transparent. Under the old system, PBMs made their money through a tactic known as "spread pricing." This refers to the difference between what the PBM charges the health plan for a drug and what it reimburses the pharmacy for it. Due to a lack of required transparency, the pharmacy doesn't know what the health plan pays the PBM for the drug, and health plans don't know how much the PBM reimburses the pharmacy for dispensing it. PBMs use this lack of transparency to keep the spread as profit. However, as of January 1st, Ohio law now mandates that PBMs instead charge a transparent fee for administrative services, and the Medicaid money they pay for prescription drugs has to directly pass through and pay for prescription claims.

CSRO applauds Ohio for its support and implementation of PBM reform. For too long, these middlemen have been lining their pockets with savings that should be being passed down to patients. Without an increase in PBM transparency, payers will continue to see essential drug restrictions and outrageous out-of-pocket costs. Looking forward, the CSRO will continue to support a flat rate system for PBM administrative services, giving patients the opportunity for high quality, affordable health care.

Highlights from CSRO's 2019 State Society Advocacy Conference (SSAC)



"What's the latest on PBMs?" featuring state senator Jason Rapert

On September 13 and 14, 2019, the CSRO held its annual State Society Advocacy Conference (SSAC) at the Westin Chicago O'Hare in Rosemont, Illinois. The conference brought rheumatology advocates together from across the country to inspire action on issues affecting the practice of rheumatology. The SSAC panel topics and advocacy sessions provided attendees with up-to-date information on the status of rheumatology in the ever-changing political environment, and insight on ways to strengthen their organizations and encourage advocacy participation amongst their membership. Keynote Speaker Dr. Kevin Pho, [@KevinMD](#), presented on the role of social media in medicine and the benefits it can bring to advocacy for those in the rheumatology profession.

The numerous panels and presentations included:

- A presentation given by CSRO Vice President Dr. Gary Feldman on CSRO's accomplishments in 2018 and 2019.
- A panel discussion on "What's New in Drug-Pricing and Transparency" with the President of the Alliance for Affordable Prescriptions (ATAP) Dr. Robert Levin; Arkansas State Senator Jason Rapert; Matthew Magner, JD, from the National Community Pharmacy Association; and CSRO President Dr. Madelaine Feldman as moderator.

- A panel discussion on the role of lobbying in rheumatology with Florida lobbyist Toni Large, Indiana lobbyist Louis M. Belch, and CSRO Director of Government Affairs, Kevin Daley, as moderator.
- A legislative and regulatory federal update given by Emily Graham, RHIA, CCS, on issues impacting rheumatologists and their patients.
- A panel on "Exploring Utilization Management Wins and Losses" with Virginia Delegate Glenn Davis, Kansas Senator Barbara Bollier, Oklahoma State Rep. Cyndi Munson as panelists; and CSRO Senior Government Affairs Specialist, Brian Henderson, as moderator.
- A presentation was given by Michael Budros, MPH, MPP, from the Center for Value-Based Insurance Design on "Changing the Health Care Discussion from How Much to How Well."
- Three advocacy training sessions were held for all attendees and offered valuable training on how to advance advocacy in their organizations. The sessions were led by CSRO staff and Dan Rene from Levick Communications.

The CSRO is pleased with the success of the 2019 SSAC and wishes to thank all the attendees for participating, as well as the speakers and panelists who took time out of their busy schedules to share their experiences and insight. Videos of the sessions can be found on the [CSRO Education Library](#).



State legislators talk utilization management reform at the SSAC.

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CSRO President on the Relationship Between Rebates, Formulary Construction, and Utilization Management Tools

Formulary Construction in America: ‘Perfectly Legal’ and ‘Perfectly Wrong’

As published in *Healio Rheumatology* – November, 2019
Madeline A. Feldman, MD, FACR

View the op-ed at [Healio Rheumatology](#).

How can a system that a) incentivizes higher drug prices; b) steers patients to drugs that make the most money for the middleman; c) creates god-knows how many different step therapy regimens subject to change at any time, and; d) actually fosters monopolies of certain drugs that are very expensive, be perfectly legal?

Let's recap the kickback system leading to this unfortunate situation. Pharmacy benefit managers (PBMs) create the formularies that determine what drugs will be paid for, when they can be taken, where they can be purchased and how much they will cost the patient. Obviously, this becomes very important for our expensive rheumatologic medications because, if an expensive medicine is not on the formulary, it is completely unaffordable for patients.

To get the coveted “preferred” status on the formulary, manufacturers send in secret kickback package bids to the PBMs. The highest kickback package amount wins the prize of “preferred” status, meaning patients must step through the winner's drug before taking the less preferred drugs. This gives automatic market share to the winning kickback package bidder. The greater the market share and the number of indications a drug has, the more leverage that manufacturer has to control the formulary. This leads to a “rebate wall” which is a discussion for another time.

These secret kickback packages promise not only formulary rebates but administrative, service and other “bona fide” fees based on the list price of the drug. It is easy to see that the higher the price of your drug, the better your kickback package looks to the PBM. Remember that competition in this system raises prices, just like at an art auction when everyone is bidding on that same coveted work of art.

In addition, part of the secret kickback package includes price protection rebates that bring in additional money for the PBM if the drug maker raises the price of their drug during the contract year — yes, PBMs make even more money if the price of the drug goes up!

Initially, PBMs were pharmacy claims adjudicators and then came the spread pricing business, mail order pharmacies and specialty pharmacies. When the very expensive specialty drugs came onto the scene, it became clear that control of the specialty formulary and putting in place step therapy rules — to the advantage of certain manufacturers — meant lots of money could be made. The more manufacturers bidding for the coveted spots with secret kickback packages, the higher those package bids went. Competition succeeded in raising the price of the drugs!

How is this legal, you might ask? If kickbacks are supposed to be illegal, why are they not illegal for PBMs? In the early 90s, PBMs and other health care companies were granted “safe harbor” from the anti-kickback statute — and voila! The beginning of the money-making machines we know today.

Utilization management tools developed by the PBMs, such as prior authorizations, step therapy and nonmedical switching, create delays in patients getting the proper treatment and keep them on the most profitable medications. PBMs are allowed to stop paying for treatments in the middle of the health plan's contract year even for stable patients, usually to move them to a more profitable medicine. This can result in stable patients being “whipsawed” from one medicine to another as often as every 6 months or any time they change jobs.

Unfortunately, our patients pay the price of this system, both literally and in terms of delayed effective therapies. For expensive medications, patients pay their coinsurance on the list price of the drug, not the ultimate low price paid by the PBM after all of the secret kickbacks.

PBMs howl and scream if legislation is proposed to remove their “safe harbor,” regulate their utilization management tools or create transparency of the secret kickback packages. They claim that transparency will soften competition and raise prices, in spite of the fact that it is quite obvious that competition to get preferred status on formulary raises prices.

If we are forced to keep this present system in a world of massive political and financial agendas — a “perfect” system is a discussion for another time — I have a few limited suggestions.

Formularies should be constructed on efficacy, safety and lowest list price, which removes kickbacks from the picture and creates a race to the bottom of pricing as opposed to our present system which fosters a race to the top.

If this is impossible at this time, at the very least, we could implement a system in which:

- All middlemen would be paid a fixed fee based on market value of their services.
- Patients would pay coinsurance on the post-kickback cost of the drug.
- Stable patients' medications would continue to be covered regardless of changes in health plan formularies.

Perhaps, in some small way, if any of these suggestions come to fruition, the “perfectly legal” system we have today will transform into something that is not so “perfectly wrong” and into something “imperfectly right.”

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CSRO Resources and Opportunities

Grant Program

CSRO has set aside funding for member societies to assist with advocacy efforts at the state level. Funds may be used for specific advocacy activities including, but not limited to, sponsored advocacy days at state capitols, advocacy training for member rheumatologists, conference registration fees, as well as specific issue webinar development.

Member societies may submit an application to fund any activities that support advocacy for issues that affect rheumatologist members. Applicant societies must be a member of the CSRO and be current on payment of dues in order to apply for a grant. Applicant societies must also submit an application outlining the proposed project, budget, timeline and specific amount of funds requested. To download the Grant Application Form, please visit the CSRO website.

Policy Updates and Newsletters

CSRO members always kept up-to-date with current with health policy changes, topical discussions and the voice of today's healthcare advocates by receiving CSRO communications and visiting the CSRO website. Members also have access to regular newsletters filled with relevant and timely information on federal, legislative and regulatory updates.

Education Library

Members are granted access to an online library complete with documented footage from previous CSRO conferences, advocacy priority articles and resources, interactive webinars, and a thorough collection of state society libraries. CSRO members are also able to add to this collection of state society libraries, giving them an opportunity to inform and gain exposure for their organizations.

Network Development

Membership offers the unique opportunity to develop lasting relationships with an extensive network of state societies. Utilizing this network, members can exchange information regarding issues that pertain to the delivery of high quality care to rheumatic disease patients.

Member State Society Opportunities

CSRO is proud to travel to each annual meeting of its state society members. At these meetings, our coalition is able to provide up-to-date information on the status of rheumatology in the ever-changing political environment and insight on ways to strengthen their organizations and encourage advocacy participation amongst their membership. Additionally, CSRO is happy to provide speakers at a state society's annual meeting free of charge. Details regarding each state society's annual meeting can be found on the CSRO website at www.csro.info

CSRO 2020 State Society Advocacy Conference

On Friday and Saturday, September 11 and 12, 2020, the CSRO will be holding its annual State Society Advocacy Conference (SSAC) at the Westin Chicago O'Hare in Rosemont, Illinois. The conference will bring rheumatology advocates together from across the country to inspire action on issues affecting the practice of rheumatology. Along with a presentation of CSRO's 2019 accomplishments, there will also be a legislative and regulatory federal update, advocacy training sessions for all attendees offering valuable training on how to advance advocacy in their organizations, and numerous panels covering the most important issues in the world of rheumatology today.

The coalition is happy to offer travel and hotel reimbursement for up to two representatives from each state society. If you have any questions regarding the SSAC, travel, or accommodations, please reach out to CSRO staff.

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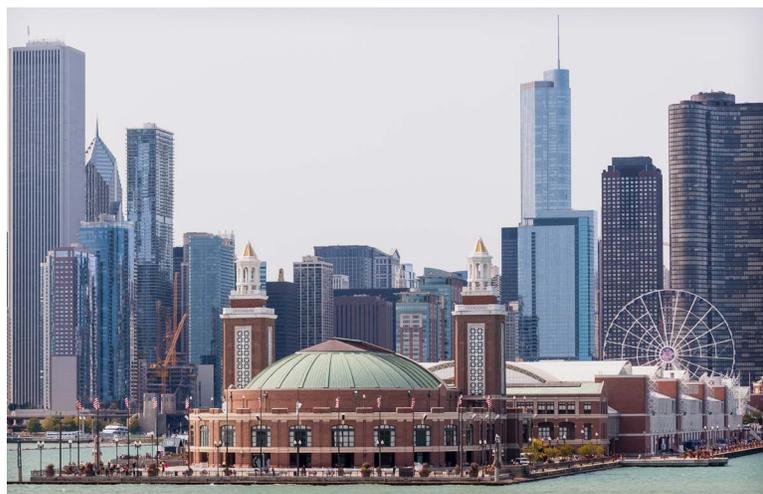
CSRO 2020 State Society Advocacy Conference

September 11 - 12, 2020

Westin Chicago O'Hare | Rosemont, IL

This exciting program focuses on current policy issues, advancing state legislative priorities, leadership and engagement strategies for state rheumatology societies, and effective advocacy.

Stay tuned for updated meeting information and registration on the CSRO website, CSRO.info.



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Receive important updates and meeting information by subscribing via our website at CSRO.info