

President's Message



Michael P. Stevens
CSRO, President

Since last November, a political cataclysm in this country has rocked our world. As part of this event, medicine as we know it is still reeling and in a state of flux. As I write this, the Affordable Care Act appears destined to be dissolved or at least radically altered. Regardless of its fate, the change will likely have a tremendous effect on all of us; to what degree, and for better or worse, remains anyone's guess.

In the backdrop of all this, the insurance industry remains steadfast touting their mandate to reduce the cost of care. Monitoring their policies in this regard remains our biggest challenge as physicians. We all want to reduce the cost of health care, but how do we maintain the *quality* of that care along the way? The insurers insist their policies and their *raison d'être* is necessary to avoid increased health care costs but they do little to promote lower costs to their clients and our patients. In fact, co-pays and premiums continue to rise for patients. At the same time, why are we seeing rising profits for the insurance industry and their pharmacy benefit managers (PBMs)? Drug-pricing negotiations and the rebate formulas between manufacturers and insurance companies need to be elucidated. It's a topic on our list for 2017. After all, patient access to care is ultimately at stake.

The CSRO has always advocated for patient access to quality care in rheumatology. We will continue to focus on the importance of these efforts in 2017. Does it work? Remember the Medicare Part B Demonstration Project? That project was first delayed for reconsideration the end of 2016 and then subsequently discarded. It took a concerted effort by numerous advocates to bring about this change in policy at CMS. Advocacy works.

In the past year, the CSRO has been helping states pass legislation regarding step therapy policies; 17 more states are planning to initiate similar legislation this year. Ten states are targeting non-medical switching in 2017, and 12 states are developing biosimilar substitution laws. Advocates for patient access to care are having an impact across the country.

The CSRO will be working in 2017 to coalesce more and more of our colleagues and like-minded advocates to increase the strength of our efforts nationally. We are determined to help bring states up to par regarding advocacy at the State and Federal levels. We will also be focused this year on helping fellows to start understanding their role as advocates as they matriculate from training into the practice of rheumatology.

Please follow us at www.csro.info to learn more about the CSRO and our efforts to ensure patient access to quality care for rheumatologic diseases. Your comments and suggestions are important and always welcome.

Michael P. Stevens, MD, FACR
President, CSRO

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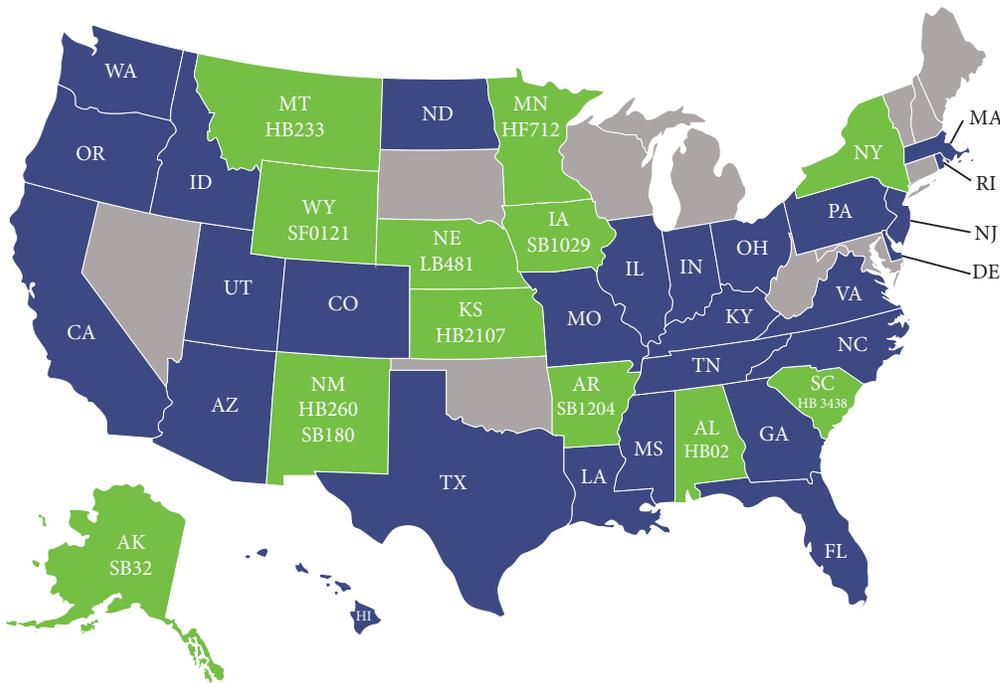
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The Coalition of State Rheumatology Organizations

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

Biosimilar Advocacy Update



State Action - Biosimilar Substitution

- States targeting Biosimilar substitution legislation in 2017
- Legislation passed or enacted between 2013 - 2016
- States without active biosimilar legislation or laws

Biosimilar advances and their legislative regulations are becoming more and more common since the FDA approved the first biosimilar product in 2015. Consequently, the CSRO's doctoral group of advocates have submitted effective testimony in several states. Teaming with partner organizations across the country, the CSRO has overseen the successful enactment of biosimilar legislation in 26 states since 2013. The CSRO and its partners are proud to contribute to the development of state legislation that will make biosimilars more available to patients while at the same time keeping prescribers properly informed when a biosimilar substitution is made by a pharmacist.

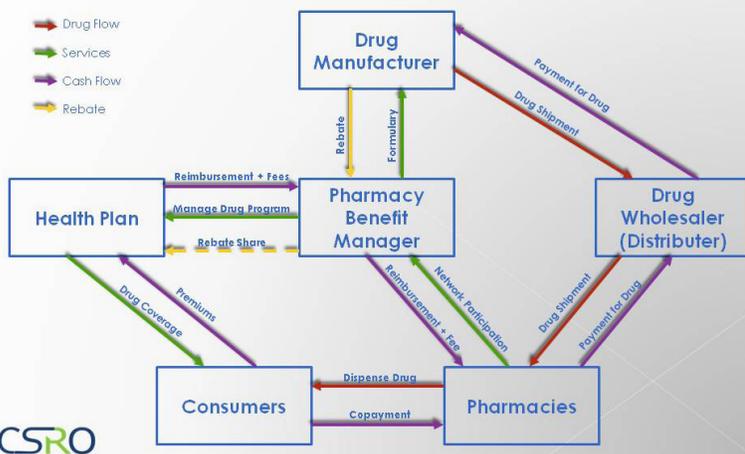
States have already begun to quickly target legislation for biosimilars in 2017. Bills have been filed in Alaska, Arkansas, Iowa, Kansas, Montana, Minnesota, Nebraska, New Mexico and South Carolina. The CSRO's team of doctors have been on the ground giving testimony in Committees and also submitting letters of support for suitably drawn legislation. In conjunction with its government relations department and other advocacy groups, the CSRO will continue to track and contribute to the finalization of important legislation across the country.

New CSRO Advocacy Initiative: PBMs and Prescription Drug Pricing

This year, the CSRO has taken on a new advocacy initiative: pharmacy benefit managers (PBMs). In general, PBMs are hired by health plan sponsors to administer and manage drug benefit programs. PBMs handle everything from negotiating prices with pharmaceutical companies and setting copay amounts to

determining which drugs are covered under a given health plan's drug benefit program. PBMs also act as intermediaries between health plans and other entities involved in the health care system. This intermediary function has allowed PBMs to take on a uniquely central role within the increasingly complex drug industry.

The Central Role of PBMs in the Drug Industry

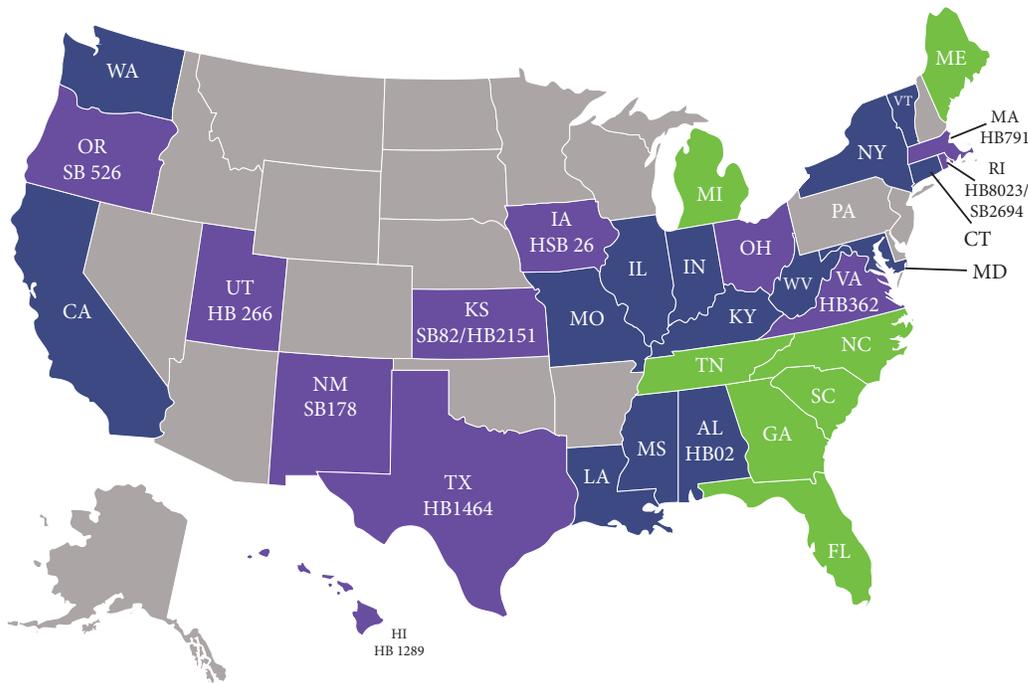


In an effort to regulate the drug industry, legislation has recently begun to emerge at both the state and federal level. Legislative efforts aimed specifically at PBMs include:

- CMS issued a final rule on Jan. 1, 2016 requiring transparent pricing practices for generic drugs.
- The MAC Transparency Act of 2015, which was introduced in the US House in Jan. 2015, seeks to regulate generic drug pricing based on PBM-generated MAC lists.
- At least 26 states have passed laws requiring PBMs to update and/or disclose MAC lists.

CSRO believes the public should be more informed about how PBMs affect the price of prescription drugs. To accomplish this task, CSRO is focusing its efforts on educating providers and patients about PBMs and the drug industry. The CSRO government relations team is excited to take on this new initiative and will continue to work on addressing drug pricing by ensuring that PBMs are appropriately addressed at the state and federal level.

Step Therapy Advocacy Update



Step Therapy Legislative Activity 2017

- States targeting Step Therapy legislation in 2017/2018
- Legislation passed or enacted
- Legislation in progress and pending for 2017/2018

Building on last year's momentum, step therapy is once again at the forefront of the CSRO's state advocacy initiatives and is off to a great start in 2017. As a result of the advocacy efforts of the CSRO and other partner organizations, step therapy legislation was successfully enacted in Illinois, Indiana, Missouri, New York, and West Virginia in 2016, bringing the total number of states with step therapy laws to 12. If the activity already seen this year is any indication, 2017 could see even more legislation implemented across the country.

With legislatures only a couple weeks into their first sessions of the new year, step therapy legislation has already been introduced in nine states (Hawaii, Iowa, Kansas, Massachusetts, New Mexico,

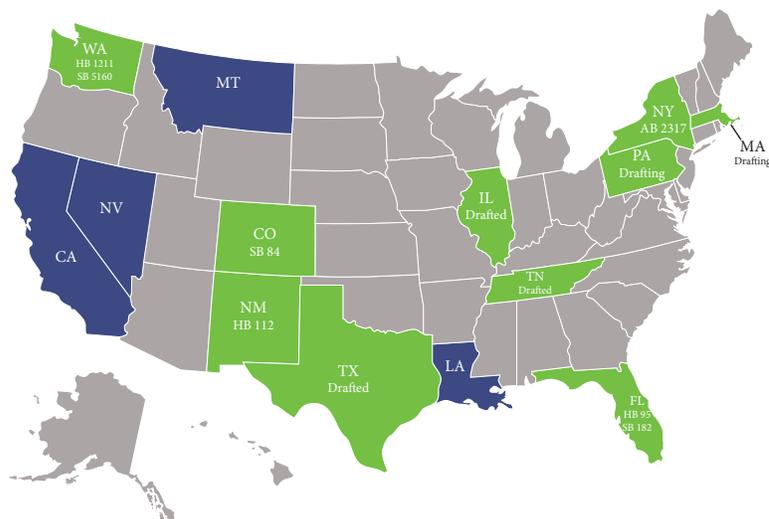
Ohio, Oregon, Texas and Utah), and two more states (Georgia and Maine) are soon expected to follow suit. The CSRO government relations team has been busy working with coalitions in these states to help advocate for their legislation. For example, after a step therapy bill (HSB 26) was introduced in the Iowa House of Representatives, the CSRO sent letters of support to the House subcommittee members emphasizing the bill's importance and impact. We also worked closely with coalitions in Texas and Utah to help develop and finalize bill drafts that were introduced in their state legislatures within the past few weeks. The CSRO will continue to actively support the bills in these states as they make their way through the legislative process, with the government relations team doing everything it can to ensure their successful enactment.

States Begin Addressing Non-Medical Switching Legislation

The CSRO added non-medical switching to its priority list this year. Under non-medical switching, insurance plans require patients to use a specific medication dictated by the insurance company's formulary, which requires medically stable patients to switch from their effective medication for non-medical reasons.

While most states are just targeting the plan year, the CSRO will be pushing legislation that includes grandfathering patients to protect them from the potentially adverse affects of being switched off their effective medication.

Thus far, Colorado is the only state to include grandfathering language in their bill. The rest of the states in the map [shown left] have legislation that prohibits a health insurance carrier from excluding or limiting a drug if the medication was covered at the time the patient enrolled in the plan for that year.



2017 State Activity: Non-Medical Switching

- States targeting Non-Medical Switching by legislation and/or regulation (10)
- States that have address Non-Medical Switching by legislation and/or regulation (4)
- States without active non-medical switching legislation or regulation for 2017

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SAVE THE DATE!

STATE SOCIETY ADVOCACY CONFERENCE

Save the date for CSRO's State Society Advocacy Conference held on September 8 - 9, 2017, in Rosemont, Illinois. The conference provides rheumatologists and other practitioners the opportunity to learn from experts about advocacy best practices and get in-depth with the issues that affect you and your patients. For more information visit our website, www.CSRO.info.