



September 15, 2011

Honorable Patty Murray
448 Russell Senate Office Building
Washington DC, 20510

Honorable Jeb Hensarling
129 Cannon House Office Building
Washington DC, 20515

Dear Senator Murray and Representative Hensarling:

I appreciate the difficulty of addressing the current budgetary issues our nation faces and agree there are many areas where federal spending can be trimmed. However, I write on behalf of the Coalition of State Rheumatology Organizations (CSRO) to urge that the Joint Select Committee on Deficit Reduction consider the long-term impact on Medicare beneficiaries and not recommend a reduction in Medicare reimbursement of Part B drugs.

Previous discussions to achieve Medicare savings have included a reduction from average sales price (ASP) +6% to ASP+4%. I am a practicing rheumatologist in a large practice with a significant Medicare patient population. I write to provide you with practical information on what a reduction in the ASP Medicare Part B drug payment means in the doctor's office and to share my grave concern for its impact on my many Medicare patients.

Attached please find an invoice from our distributor for purchase of Rituxan, an important drug in the treatment of rheumatoid arthritis and a drug approved for patients who have failed other treatments. Our cost for an infusion, which is necessary every 4-6 months, is \$6,020.33. The Medicare Allowable reimbursement (J9310) is \$6,106.86. Thus, our margin per infusion is only 1.44% -- meaning a reduction from ASP+6% to ASP+4% results in a loss on each infusion for each patient. Unfortunately, our practice cannot afford to absorb such a loss and our patients would lose access to this product, which is one of the main choices physicians make for those who have failed other treatments. **For the most part, rheumatologists are unable to purchase Part B drugs at the ASP. As a result, our margin for most drugs is only 1-4%, based on the current Medicare ASP + 6% payment.** A further reduction to Medicare Part B drug reimbursement will result in a real loss to physician practices.

This is only one example of the many Part B drugs our patients rely on to treat rheumatoid arthritis and osteoporosis. The cost to the system of not appropriately addressing these debilitating diseases is great. I implore you to consider these long term costs, but also to consider the practical reality of asking physicians to absorb such cuts. We cannot afford to purchase drugs we are forced to lose money on, especially for drugs that patients require at regular intervals. A reduction in payment for Part B drugs results in patient access problems as well as risks jobs and shifts this burden on physician practices.

Thank you for your serious consideration of my concerns. I am available to provide additional examples or personally discuss this matter with you or your staff.

Sincerely,

Michael Schweitz, M.D.
President, Coalition of State Rheumatology Organizations

cc: Rep. Xavier Becerra, Rep. Dave Camp, Rep. James Clyburn, Rep. Chris Van Hollen, Sen. Max Baucus, Sen. John Kerry, Sen. Jon Kyl, Sen. Rob Portman, Sen. Pat Toomey, Rep. Fred Upton



INVOICE

PLEASE REMIT TO:
Priority Healthcare Distribution, Inc.
DBA: CuraScript Specialty Distribution
P.O. Box 599307
Charlotte, NC 28290-3307

2297 SOUTHWEST BLVD STE. D
GROVE CITY, OH 43123

TEL: (800) 942-5999

DEA# RP0334540 FED.TAX ID# 59-3761140

PERMIT# 23:01933
BILL TO: ARTHUR & RHEUM OF PALM BEACH
ARTHUR & RHEUM OF PALM BEACH
1515 N FLAGLER DR #620
WEST PALM BEACH, FL 33401

SHIP TO: ARTHUR VIRSHUP, MD
ARTHUR & RHEUM OF PALM BEACH
1515 N FLAGLER DR #620
WEST PALM BEACH, FL 33401

ST. REC# ME20217

FBI SHIPPING POINT

INVOICE DATE	INVOICE NO.	CUST NO.	CUSTOMER P.E. NO.	TERMS	ORDER NO.	REP NO.	STATE REG NUMBER	DEA NUMBER	PAGE
6/07/11	3844412	31476	06/06/11	NET 90 DAYS	3200842	304	MS20217	AV5870482	1

QUANTITY	UNIT	DESCRIPTION	PRICE	EXTENSION
2	EA	RITUXAN 500MG 50ML SDV DRP SMP	2,980.36	5,960.72

Manufacturer: U-O-M PHARMACEUTICAL SERVICES PO#, 601822 Date Recd: 5/31/11 * See statement below

Pedigree Available when Required
For Federal and State Requirements all pharmaceutical products are purchased directly from the manufacturer.
In cases where product is purchased from a national wholesaler a product pedigree is attached.

SUBTOTAL:				5,960.72
TOTAL IN PAID BY, CHECK OR APT BY 9/05/11:				5,960.72
FORFEITED CASH DISCOUNT:				66.61
TOTAL:				6,020.33

RITUXAN

Cost 6,020.33

Medical Allowable 19310 6106.86

MARGIN 1.44%

Prescription purchased the specific unit of the prescription drug listed on the invoice directly from the manufacturer, and the specific unit of prescription drug was shipped by the manufacturer directly to the person authorized by law to administer as defined in s. 465.003, Florida Statutes, or a member of an affiliated group, as described in s. 499.0121 (6) (h), Florida Statutes, with the exception of a repackager. Cost

NET DUE DATE: 9/05/11

Prices for items on this invoice may reflect discounts or other reductions in price, which may be subject to subsequent audits or other reductions or adjustments. To the extent required, a refund report for certain such discounts or reductions on cost reports or claims filed with federal or state health care programs, and you should retain this invoice and other documentation for audit and make such information available to federal or state health care program officials upon request. Claims for defects, damages, shortages, will not be honored unless reported within 30 days of receipt. Claims for billing errors will not be honored unless reported within 10 days from date of invoice. Past due invoices subject to 1.5% interest charges per month which is annual percentage rate of 18%. FBI SHIPPING POINT.

INVOICE TOTAL \$6,020.33