

Gary R. Feldman, MD, FACR
President

February 8, 2023

Madelaine A. Feldman, MD, FACR
VP, Advocacy & Government Affairs

Senate Commerce and Consumer Protection Committee
75 Rev Dr. Martin Luther King Jr Boulevard
St Paul, MN 55155

Michael Saitta, MD, MBA
Treasurer

Re: SF 168

Aaron Broadwell, MD
Secretary

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member organization in Minnesota. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding SF 168.

Erin Arnold, MD
Director

As you consider SF 168, CSRO would like to share the importance of ensuring that the bill does not impede the viability of furnishing provider administered drugs on an outpatient basis.

Leyka M. Barbosa, MD, FACR
Director

Kostas Botsoglou, MD
Director

Michael S. Brooks, MD, FACP, FACR
Director

Amish J. Dave, MD, MPH
Director

Practices that engage in the administration of provider administered drugs on an outpatient basis are engaged in a practice known as “buy and bill.” These practices pre-purchase drugs and bill a payer for reimbursement once they are administered to a patient. Margins for practices engaged in buy and bill are thin. In order to maintain the viability of administering drugs in this setting, reimbursement must account for overhead costs such as intake and storage, equipment and preparation, staff, facilities, and spoilage insurance. Reimbursement rates that do not consider these costs risks practices being unable to furnish these services. As a result, any upper payment limit set by the Affordability Review Board established by SF 168 must consider such costs.

Harry Gewanter, MD, FAAP, MACR
Director

Adrienne R. Hollander, MD
Director

Firas Kassab, MD, FACR
Director

Robert W. Levin, MD
Director

CSRO is encouraged that the Affordability Review Board’s methodology must include consideration of the “cost of administering the drug.” However, this phrasing is vague and we do not believe that the aforementioned indirect administration costs would necessarily be included in the Affordability Review Board’s methodology. Accordingly, we believe more specific direction from the legislature is needed to ensure that these costs and nuances are taken into account.

Amar Majjhoo, MD
Director

Gregory W. Niemer, MD
Director

Joshua Stalow, MD
Director

HEADQUARTER OFFICE

Ann Marie Moss
Executive Director

Indeed, the application of the upper payment limit under lines 13.14 – 13.15 appears to suggest that there will be one rate for both purchase and reimbursement of the drug. In order to appropriately account for the aforementioned costs there should in fact be a spread between the purchasable rate ceiling and the reimbursable rate ceiling that covers provider overhead costs. If the upper payment limit set by the board does not account for this, the viability of furnishing provider administered drugs in our care setting will be severely hampered. This will not only reduce access for your constituents, but

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will likely push the administration of provider administered drugs into higher cost setting of care.

Madelaine A. Feldman, MD, FACR
VP, Advocacy & Government Affairs

We appreciate your consideration of our comments.

Michael Saitta, MD, MBA
Treasurer

Respectfully,

Aaron Broadwell, MD
Secretary

Respectfully,

Erin Arnold, MD
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