United States Senate
WASHINGTON, DC 20510

May 13, 2016

Mr. Andrew Slavitt
Acting Administrator
Centers for Medicare & Medicaid Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Slavitt:

We write to express our concerns regarding the Part B Drug Payment Model recently proposed by the Centers for Medicare & Medicaid Services (CMS) through the Center for Medicare and Medicaid Innovation (CMMI). Although we appreciate CMS's consistent goal of strengthening the Medicare program, we are concerned about the scope and size of the proposed demonstration and its potential impact on Medicare beneficiaries' access to physician-administered drugs. We also question how the demonstration may affect physician participation in existing delivery and payment reform models.

The proposed demonstration would result in changes to Medicare payments for nearly all Part B medications over a five-year period, and would require up to 75 percent of providers to participate in either one or both of the two phases of the project. Patients, providers and other stakeholders have raised concerns about the scope and size of the demonstration. Recognizing this demonstration could affect care for our sickest seniors that are being treated for serious illnesses, such as cancer, rheumatoid arthritis, auto-immune diseases, hemophilia, macular degeneration, and other serious orphan and chronic diseases, we share those concerns and urge CMS to re-examine this proposed model. The availability of safe and effective treatments for these diseases is vital to Medicare beneficiaries' health and quality of life.

In addition, we have heard concerns that the proposed changes to the ASP-based payment methodology may put some physicians in a position where they would take a financial loss for providing certain Part B prescription drugs, likely impacting and potentially disrupting beneficiaries' access to needed medications. This may be especially true for physicians in small, independent practices and those practicing in rural areas. Any factor that requires patients to travel further to obtain care is concerning. CMS must ensure that all Medicare beneficiaries continue to have access to physician-administered drugs, including those used to treat cancer, rare diseases, and other serious conditions, and that they do not experience any disruptions in care. In addition, CMS should incorporate the potential impact on physicians in small, independent and rural practices and make sure they have the support they need to continue to provide Part B drugs and high quality care to their patients.

Concerns have also been raised about how the demonstration may affect physicians' ability to participate in existing delivery and payment reform models, such as the Oncology Care Model (OCM) and alternative payment models incentivized by the bipartisan Medicare Access and CHIP Reauthorization Act of 2015 (MACRA). These voluntary models are aimed at improving

value in our health care system, and CMS must ensure that the demonstration does not unintentionally discourage or prevent participation in these important initiatives.

Given all of these concerns, it is clear more stakeholder engagement is necessary, and CMS must engage in a meaningful dialogue with the impacted community. Further, until these concerns are resolved, we urge CMS not to move forward with the demonstration. Thank you for your consideration of our concerns.

Sincerely,

Heidi Heitkamp
United States Senator

Tom Udall
United States Senator

Joe Donnelly
United States Senator

Martin Heinrich
United States Senator

Jon Tester
United States Senator

Christopher A. Coons
United States Senator

Mazie K. Hirono
United States Senator

Cory A. Booker
United States Senator

Angus S. King, Jr.
United States Senator