

Infusion Providers Alliance Statement Regarding Senate Reconciliation

July 8, 2022

The Infusion Providers Alliance, which represents infusion provider organizations with over 1,000 infusion sites of care in 43 states, strongly opposes the prescription drug provisions of the recently released Senate Reconciliation bill. IPA facilities are a critical access point for patients with serious chronic conditions such as multiple sclerosis, Crohn’s disease, rheumatoid arthritis and many orphan diseases.

The Senate bill seeks to reduce drug costs by slashing reimbursement to community-based infusion providers who have no influence on drug pricing decisions. Specifically, the bill would cut average sales price (ASP) reimbursement for certain older, physician-administered drugs by empowering the Secretary to “negotiate” Medicare Part B price reductions with an arbitrary ceiling price and no price floor. Avalere estimates that physician and freestanding infusion centers will experience a 44% reduction in associated provider add-on payments for Part B drugs¹.

In addition, reductions in Medicare reimbursement for these “negotiated drugs” are expected to drag down provider reimbursement in the commercial market as the proposed bill fails to include language excluding prices for the “negotiated drugs” from the calculation of ASP. With the majority of commercial contracts based off of ASP, providers could eventually confront cuts of similar magnitude for impacted products in the commercial insurance market, compounding patient access issues.

The IPA has [joined](#) the provider community in advocating for a solution that preserves the same amount of savings that the Congressional majority seeks to extract for the government and beneficiaries, but keeps providers from becoming collateral damage: rather than cutting provider reimbursement, Medicare would collect a rebate from manufacturers for its discount and base the patient’s coinsurance off the lower, rebated price. Both the beneficiary

¹ <https://avalere.com/insights/part-b-drug-negotiation-under-bbba-would-reduce-payments-to-providers>

and the Medicare program benefit equally while leaving the existing reimbursement structure in place to minimize disruption to patients. Given that the rebate approach is consistent with existing manufacturer rebates used by Medicaid since OBRA 1990 and in the manner with which price increases that exceed inflation (CPI-U) are handled in the bill via a rebate mechanism, it is our recommendation that Congress build upon a single, consistent and familiar approach as it looks to accomplish its ultimate goal of lowering drug costs. Most importantly, Congress can ensure that in the quest for greater drug savings, it does not inadvertently create a patient access issue.

Doug Ghertner, President of IPA commented, “The IPA is extremely disappointed that the Senate Finance Committee has rejected a cost-neutral solution that preserves patient access and puts low-margin community providers at risk. We implore the Committee to revisit this issue before floor consideration and not jeopardize patient access to their critical medicines.”

All inquiries should be emailed to IPA Executive Director Brad Traverse at Brad.Traverse@InfusionProvidersAlliance.org. To find out more about IPA, please visit our website at www.InfusionProvidersAlliance.org.