



COMMUNITY ONCOLOGY ALLIANCE

Dedicated to Advocating for Community Oncology Patients and Practices

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February 1, 2024

The Honorable James Comer
Chairman
House Oversight and Accountability Committee
Rayburn House Office Building 2157
Independence Ave. & S. Capitol St., SW
Washington, DC 20515

The Honorable Jamie Raskin
Ranking Member
House Oversight and Accountability Committee
Rayburn House Office Building 2242
Independence Ave. & S. Capitol St., SW
Washington, DC 20515

Chairman Comer and Ranking Member Raskin:

On behalf of the Board of Directors of the Community Oncology Alliance (“COA”), I am writing this letter to support the Oversight and Accountability Committee’s mark-up and passage of the bipartisan DRUG Act (H.R. 6283). This is very important legislation needed to stop pharmacy benefit managers (“PBMs”) from fueling drug prices, including destroying the nascent biosimilar market, delaying cancer patients from getting their potentially life-saving drugs, and driving independent pharmacy providers out of business. The scourge of the PBMs must be stopped, and the DRUG Act is a step in that direction.

As you know, COA is an organization dedicated to advocating for the complex care and access needs of patients with cancer and the community oncology practices that serve them. COA is the only non-profit organization in the United States dedicated solely to independent community oncology practices, which serve the majority of Americans receiving treatment for cancer. Since its grassroots founding over 20 years ago, COA’s mission has been to ensure that patients with cancer receive quality, affordable, and accessible cancer care in their own communities where they live and work, regardless of their racial, ethnic, demographic, or socioeconomic status. Unfortunately, all too often the PBMs increasingly erect obstacles to cancer patients getting accessible, timely, and affordable critical treatments.

Decoupling PBM percentage-based pricing from the underlying drug price is very important to controlling drug costs for Americans covered by commercial insurance. PBMs force the use of the most profitable drugs to them – rather than the least expensive drug to the patient – by virtually extorting percentage-based concessions from manufacturers. This is especially causing destruction in the biosimilar market, which has so much promise in bringing down the cost of expensive biologics. Congress has allowed this to go unchecked, and now it is time for Congress to stop this practice that fuels already expensive drugs.

In addition to curbing spread pricing, the DRUG Act will allow Americans to choose their pharmacy providers rather than be forced into PBM mail order and affiliated pharmacies. We have seen an uptick in brazen “trolling” by PBMs trying to trick cancer patients into

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receiving their drugs via PBM mail order pharmacies. This not only leads to confusion and delays in getting their medications, but patients pay more due to drug wastage.

We commend the Oversight and Accountability Committee for marking up the DRUG Act and pushing Congress to actually act in a bipartisan way to stop PBM's destructive tactics. We appreciate all the Committee's work on PBMs and for inviting COA President Dr. Miriam Atkins to testify to the Committee in 2023 on how PBMs hinder her ability as an oncologist to provide quality, accessible, and affordable cancer care.

In closing, we want to make the Committee aware that oncology practices are seeing a sharp decrease in oral drug reimbursement by at least Express Scripts to compensate for the Centers for Medicare & Medicaid Services ("CMS") eliminating retroactive direct and indirect remuneration ("DIR") fees in Medicare Part D effective January 1, 2024. We are verifying the same tactic with CVS/Caremark and OptumRx. We will provide the Committee with data we are analyzing now, but practice pharmacy providers are reporting reimbursements that are less than drug costs. Unfortunately, the oligopoly market power of the top three PBMs (CVS, Express Scripts and OptumRx) allows them to go unchecked in squeezing providers on reimbursements.

We call on the Oversight and Accountability Committee to conduct a hearing on PBM business practices with the heads of the top three PBMs as witnesses. *This hearing cannot happen fast enough!*

COA stands ready to work with the Committee on meaningful, bipartisan PBM reform. We thank both of you for your leadership. Americans with cancer depend on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Ted Okon", with a long horizontal flourish extending to the right.

Ted Okon
Executive Director