August 2, 2022

The Honorable John Barrasso  
U.S. Senate  
307 Dirksen Senate Office Building  
Washington, D.C.  20510

Dear Senator Barrasso:

The American Society of Gastrointestinal Endoscopy (ASGE), representing 15,000 gastroenterologists across the United States, offers its support for your amendment to the “Inflation Reduction Act of 2022” that would require drug manufacturers to directly refund the government excess costs above the “maximum fair price” (MFP), which will effectively exempt any pricing concessions from the Average Sales Price so provider payment rates are not artificially reduced. Further, we support that under your amendment, beneficiary cost-sharing would still be assessed against the MFP plus 6 percent so they experience immediate savings.

If enacted, ASGE believes the “Inflation Reduction Act” will go a long way in protecting patients from high out-of-pocket drug costs. Gastroenterologists treat disorders of the bowel for which biologics, oftentimes administered in the physician’s office and reimbursed under Part B, are the primary treatment. Therefore, any changes to the way in which Part B drugs are acquired and reimbursed could have a significant effect on gastroenterologists and their patients.

The “Inflation Reduction Act of 2022” empowers Medicare to begin negotiating directly for the price of prescription drugs, but it also puts physician practices in a financially vulnerable position because they may not be able to purchase medications at the government negotiated rate, or MFP. If the MFP is the basis for reimbursement for Part B drugs, but physician practices cannot acquire the drug at MFP or their “supply” was negotiated at a higher price point, the physician will refer the patient out of the office-based infusion suite to the hospital where it costs the Medicare program, and the patient, more.

The ASGE thanks you for your leadership to ensure that physicians can continue to conveniently provide the administration of Part B drugs in the office setting and do so at a cost savings to the health care system and to patients. Should you have questions or require additional information, please contact Camille Bonta, ASGE policy advisor, at 202-320-3658 or cbonta@summithealthconsulting.com.

Sincerely,

Bret T. Petersen, MD, MASGE  
President