July 16, 2018

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201
Submitted via regulations.gov

RE: HHS Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs

Dear Secretary Azar,

The Medical Group Management Association (MGMA) writes to submit feedback regarding the HHS Blueprint to Lower Drug Prices and Reduce Out-of-Pocket Costs (HHS Blueprint) posted on May 16, 2018. MGMA shares HHS' concerns that rising drug prices hinder patient access to life-saving treatments and create instability in the Medicare program. We appreciate the Department's proposals to increase access to lower-cost alternative generic drugs. However, MGMA is concerned other proposals included in the HHS Blueprint may have the unintended effect of limiting patient access to high-value medications and increasing administrative burdens on physician practices currently facing unprecedented cost and resource demands to comply with the Medicare Access and CHIP Reauthorization Act of 2015, among other regulatory red tape. **We urge HHS to ensure patient access to affordable prescription drugs and to minimize the administrative burden on physician practices who have no control over the sticker price of prescription drugs and treatments.**

MGMA is the premier association for professionals who lead medical practices. Since 1926, through data, advocacy and education, MGMA empowers medical group practices to create meaningful change in healthcare. With a membership of more than 40,000 medical practice administrators, executives, and leaders, MGMA represents more than 12,500 organizations of all sizes, types, structures, and specialties that deliver almost half of the healthcare in the United States.

Although details are limited, several of the ideas outlined in the HHS Blueprint may not tackle the root issue of growing drug prices and out-of-pocket expenses, which are set by the manufacturer and payer respectively, and instead may impede physician group practices' ability to provide high-value care to patients. For instance, HHS would identify drugs or classes of drugs in Medicare Part B "where there are savings to be gained by moving them to Part D." This focus on savings alone fails to acknowledge the multitude of factors that physicians consider when prescribing Part B drugs, including the available options and the complex clinical needs of

the individual Medicare patient. Rather than focus exclusively on savings, HHS should also look at clinical evidence regarding the effectiveness of drugs administered outside the physician's office. Without careful consideration of factors other than cost, we are concerned physician-administered drugs moved to Part D could create unnecessary burden for patients, while also potentially increasing medication errors and causing delays in treatment. For example, a Part D drug may be picked up at the pharmacy counter and transported (sometimes with great effort, including refrigeration to maintain efficacy) to the physician's office for proper administration; this unnecessary step slows down care delivery and can compromise patient safety. HHS must prioritize high-value care delivery, including access to safe and effective administration of life-saving drugs, while evaluating options to reduce costs.

Other proposals may needlessly increase administrative burden on physician practices. For example, the HHS Blueprint discusses requiring the use of technology to inform beneficiaries of their out-of-pocket costs during an office visit. MGMA supports efforts to shine a light on the prices and cost-sharing amounts for drugs, but we urge HHS to first confirm that technology with this capability exists, is not prohibitively expensive, can be seamless integrated into clinical workflows, and can meet the needs of both physicians and patients. We are skeptical that reasonably-priced technology has the ability at the point of care to seamlessly integrate with physician practices' existing software platforms, parse each patients' health insurance policies, confirm coverage, verify their coinsurance and their remaining deductible amount and provide that information in real time. Rather than establish another government mandate interfering with physician practices' innovative use of technology, HHS should focus on educating patients regarding their health insurance policies and corresponding out-of-pocket responsibilities.

We look forward to continuing to work with HHS to support physician practices in providing high quality, low cost medications to Medicare beneficiaries. **Because there are more questions raised than policy proposed in the HHS Blueprint, we strongly urge the Department to engage stakeholders in another opportunity for feedback after more details about the proposals have been released.** If you have any questions, please contact Jennifer McLaughlin at 202.293.3450 or jmclaughlin@mgma.org.

Sincerely,

/s/

Anders Gilberg
Senior Vice President, Government Affairs