## A Move To Shift Part B Rx Into Part D Would Anger Oncologists, Cancer Patients

From InsideHealthPolicy… If the administration were to propose shifting drugs covered by Medicare Part B into the Part D drug reimbursement system, the move would spark a blitz of opposition from cancer doctors and patients, and hospitals might also push back hard if the policy were accompanied by changes to the 340B drug discount program, lobbyists say.

There has been a swirl of rumors in the past week that the administration is poised to propose some sort of drug price policy, lobbyists say, and covering physician-administered drugs in the retail drug Part D program is among the many ideas in that mix.

“The rumor mill is working overtime,” Community Oncology Alliance Executive Director Ted Okon said. “I’ve had more emails than you can imagine.”

Part of the reason for the rumors is that there are couple of vehicles the administration could use to push such policies. The president is about to propose his fiscal 2018 budget, and the Office of Management and Budget is reviewing a Part B physician pay rule.

Plus, HHS Secretary Tom Price has been holding meetings with stakeholders to gather ideas on ways to stem drug increases, and OMB Director Mick Mulvaney last week outlined some broad policy areas he signaled were under consideration.

The vague notion of shifting Part B drugs into Part D has gotten some additional attention because it is consistent conceptually with recommendations from the Medicare Payment Advisory Commission and fits with President Donald Trump's desire to make drug companies bid for government business.

MedPAC is set to include several ideas on curbing Part B drug prices in its report to Congress next month. Among them is a policy to let doctors in Part B organize and create formularies so they could negotiate directly with drug makers to bring prices down, MedPAC Executive Director Mark Miller explained to House Ways & Means Committee members on Thursday (May 18). That general approach is part of a raft of long-term recommendations to eventually replace the current pay system with what MedPAC calls the Drug Value Program. Medicare would contract with a small number of private vendors that would negotiate drug prices, which would be limited to no more than the average sales price. Doctors would buy drugs at the prices negotiated by those vendors, and Medicare would reimburse them. Physicians also would receive an administrative fee and Medicare would pay doctors a share of what they save Medicare by participating in the new system.

Those vendors sound a lot like the pharmacy benefit managers that the cancer doctors criticize, Okon said. The MedPAC recommendation aside, Okon called the idea of moving Part B drugs into Part D “absolutely, positively crazy.” He said the pharmacy benefit manager middlemen in Part D are a problem that doesn’t exist in Part B, so why introduce it.

Okon blames pharmacy benefit managers for causing drug price increases, but others say they do a good job of negotiating lower prices. Conservative health policy commentator Avik Roy suggests migrating all drug coverage to Part D or letting pharmacy benefit managers negotiate drug prices in Part A and Part B as a way to minimize federal drug coverage mandates.

A drug industry lobbyist said conservative analysts like the idea of getting rid of Part B’s drug reimbursement system because it doesn’t make sense for doctors to be in the game of buying drugs, but that view neglects the political reality that oncologists make good money under the current system so it would be difficult to change it. Also, the system works reasonably well in general, and it would concern cancer patient advocates to propose changing it.

The drug lobbyist said half of hospitals are in the 340B drug discount program, so it would be difficult to reform Part B while ignoring hospital outpatient drugs purchased through the program. If lawmakers try to reform 340B, that will push hospitals to oppose the proposal. Overall, it would be an enormous task, and Congress and the administration simply don’t have the time to deal with it, the lobbyist said.

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