

Madelaine A. Feldman, MD, FACR
President

February 21, 2023

Gary Feldman, MD
Vice President

Senate Committee on Health Care
900 Court St NE,
Salem, OR 97301

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HEADQUARTER OFFICE

Ann Marie Moss
Executive Director

Re: SB 404

The Coalition of State Rheumatology Organizations (CSRO) is a national organization composed of over 30 state and regional professional rheumatology societies, including our member organization in Oregon. CSRO was formed by physicians to ensure excellence and access to the highest quality care for patients with rheumatologic, autoimmune, and musculoskeletal disease. It is with this in mind that we write to you regarding SB 404.

As you consider SB 404, CSRO would like to share the importance of ensuring that the bill does not impede the viability of furnishing provider administered drugs on an outpatient basis.

Practices that engage in the administration of provider administered drugs on an outpatient basis are engaged in a practice known as “buy and bill.” These practices pre-purchase drugs and bill a payer for reimbursement once they are administered to a patient. Margins for practices engaged in buy and bill are thin. In order to maintain the viability of administering drugs in this setting, reimbursement must account for overhead costs such as intake and storage, equipment and preparation, staff, facilities, and spoilage insurance. Reimbursement rates that do not consider these costs risks practices being unable to furnish these services. As a result, any upper payment limit set by the Affordability Review Board established by SB 404 must consider such costs.

To the extent that an upper payment limit acts as constraint on both purchase and reimbursement of a drug, this may leave providers underwater on these services. In order to appropriately account for the aforementioned costs there should in fact be a spread between the purchasable rate ceiling and the reimbursable rate ceiling that covers provider overhead costs. If the upper payment limit set by the board does not account for this, the viability of furnishing provider administered drugs in our care setting will be severely hampered. This will not only reduce access for your constituents, but will likely push the administration of provider administered drugs into higher cost setting of care.

We appreciate your consideration of our comments.

Respectfully,

Madelaine A. Feldman, MD, FACR
President



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Vice President

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President, CSRO

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