



LUGPA Statement on Most Favored Nation Drug Policy

November 24, 2020

LUGPA, the national voice representing independent urology practices in the U.S. today, issued the following statement in response to the administration's release of its Most Favored Nation Model for Medicare Part B Drugs and Biologicals Interim Final Rule. The following statement may be attributed to Jonathan Henderson, MD, president of LUGPA:

LUGPA, whose 2,170 physicians make up more than 25 percent of the nation's practicing urologists and provide over a third of the total urologic care is strongly committed to value-based care models that reward outcomes over utilization. LUGPA strongly opposes the interim final rule, which would impose a "Most Favored Nation" (MFN) model because it will undermine the doctor-patient relationship and threaten patient access to cancer care.

The MFN rule will replace historical payment models for life-saving medications with a flat administration fee – this fee is insufficient to cover the complex clinical, administrative, and logistical challenges of administering state-of-the-art treatments to seriously ill patients, many with multiple medical issues. Furthermore, rather than the present system in which reimbursement is to the actual acquisition cost of the drug, Medicare payments to physician practices caring for cancer patients would be based on acquisition costs in any of 22 other countries—the reimbursement would change every quarter rendering it impossible to appropriately plan inventory to treat patients in a timely manner.

The new regulations, which bypassed the normal notice, comment period, and rulemaking process are set to be implemented in six weeks. This puts physician practices and patients at economic risk as reimbursement rates for vitally important drug regimens used to treat cancer have not yet been published—this may force patients to purchase medication through their prescription plan and "brown bag" their chemotherapy to their treatments.

While LUGPA stands ready to work with policymakers in both parties to constrain pharmaceutical spending and improve patient care, LUGPA feels it is unconscionable that practices still reeling from the previous economic and clinical ramifications of the COVID lockdowns and now dealing with a new wave of cases across the country physicians be confronted with such a profound change in policy. LUGPA urges this Interim Final Rule be withdrawn immediately before irreparable harm is done to patients stricken with cancer and the physician practices across the country who care for them.