NATIONAL INFUSION CENTER ASSOCIATION

SAMPLE LETTER FROM PROVIDER TO COMMERCIAL PAYOR: SPECIALTY PHARMACY

[Date]
[Insurance Company Name]
[123 Company Way]
[City, State 12345]

[Your Name]
[Your Office]
[123 Street]
[City, State 12345]

This sample letter is meant to serve as a guide, and the talking points provided are examples. Be sure to include your personal experience.

To Whom It May Concern at **[Insurance Company Name],**

I am writing today to express my concerns with **[Insurance Company Name]'s** decision to implement a change in policy that would require my office to acquire specialty medications through a specialty pharmacy, replacing the existing buy-and-bill model. This policy will make the current care model financially unsustainable and eliminate my office's ability to deliver safe, high-quality care in the lowest cost care setting.

After reviewing the site of care review policy **[or insert policy name/number if known]**, it appears **[Insurance Company]** agrees that whenever safe and appropriate, patients can and should receive specialty medications in non-hospital care settings. However, if **[Insurance Company]** moves forward with this policy, site of care initiatives will be very challenging to implement, as a mandatory specialty pharmacy acquisition model will eventually put non-hospital infusion operators out of business.

Like any other business, my practice relies on adequate revenue to cover [overhead/ other] costs like [rent, utilities, drug storage, insurance, staff salaries, etc.]. Preparing, administering, and monitoring are all crucial elements to managing specialty medications, requiring up to three hours of additional labor. Under a specialty pharmacy mandate, offices like mine will be required to provide these important aspects of high-quality care without proper reimbursement. The specialty pharmacy model does not factor in these costs and the complexity of medications that require particular handling. Reimbursement for the administration services associated with furnishing specialty medications does not cover the actual costs of providing those services, however infusion providers have historically been able to offset these losses with the slim drug margins generated under the buy-and-bill model. If it is no longer financially viable to treat patients, infusion providers like myself will no longer be able to offer our services. Patients will be forced to receive care at other settings, like hospitals, incurring increased costs for both the patients and **[Insurance Company Name]**, with the latter bearing the brunt of the cost liability.

[My practice has worked with a specialty pharmacy before/other practices have

reported] [and we/that they] have **[received different dose quantities than what was ordered/experienced processing and shipping delays].** Specialty pharmacies add an unnecessary middleman to the healthcare process, increasing the risk of error in dose shipment vs. ordering quantity. Many medication dosages are calculated based on body weight, but when a specialty pharmacy is used, providers are unable to adjust the dose at the time of treatment leaving us to choose between two equally poor options: delaying treatment or administering a subtherapeutic dose. These delays, miscalculations and obstacles disrupt treatment for patients, causing serious health implications and increased costs.

While this policy may force some patients into more expensive sites of care, in many areas, especially in more rural parts of the country, there may not be another option available within a reasonable distance. **[If you live in a rural or underserved area and the nearest hospital infusion center is many miles away, consider including more detail about your community here]**. In these cases, patients may end up discontinuing treatment altogether. Patients treated with specialty medications are among the country's most vulnerable citizens; any barrier to managing their complex, chronic diseases increases the risk of disease flares and costly complications as they necessitate additional healthcare services including invasive (read: expensive) procedures and hospitalizations. For example, a recent study showed that when rheumatoid arthritis is undermanaged, overall healthcare costs more than double[1]. Consider the consequences of doubling or even tripling specialty medication spend if non-hospital care settings collapse as a result of this policy. I urge **[Insurance Company Name]** to look at its own data and assess how the projected savings from implementing this specialty pharmacy mandate compares to these increased expenses.

While I understand the need for lowering specialty drug spend and overall healthcare costs, this policy simply will not achieve that goal. Instead, it will disrupt access to office-based infusion settings and increase the physician and economic burden of disease with implications for both patients and for **[Insurance Company Name]**. Office-based infusion centers are the most economical, high-quality settings offering this specialized care; by implementing a specialty pharmacy mandate, **[Insurance Company Name]** eliminates patient choice and ultimately foots the bill for more expensive sites of care and future health complications. I trust that **[Insurance Company Name]** wants to make the most cost-effective and patient-centered choice, and a plan requiring a specialty pharmacy mandate is not that choice. Please consider preserving the buy-and-bill drug acquisition model and abandoning this specialty pharmacy mandate. Thank you for your time and consideration, and I look forward to your response.

[1] Mitchell Cole et al., "Patients with Undermanaged RA Have Higher Medicare Costs Than Other RA Patients," (Avalere Health, 2020).

Sincerely,

[Signature]

[Your Name]

[Your contact information, if desired]