



December 1, 2020

**Corporate Office**

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Des Moines, IA 50309  
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**Des Moines Metro**

John Stoddard Cancer Center  
MercyOne Cancer Center  
MercyOne West Cancer Center

**Outreach Locations**

Cass County Health System  
CHI Health Mercy - Corning  
Clarke County Hospital  
Dallas County Hospital  
Decatur County Hospital  
Greater Regional Medical Center  
Greene County Medical Center  
Grinnell Regional Medical Center  
Knoxville Hospital & Clinics  
Lucas County Health Center  
Madison County Health Care System  
Mahaska Health Partnership  
MercyOne Medical Center - Centerville  
Monroe County Hospital  
Pella Regional Health Center  
Ringgold County Hospital  
Skiff Medical Center  
St. Anthony Regional Hospital  
Story County Medical Center  
Trinity Regional Medical Center  
Van Diest Medical Center  
Wayne County Hospital

The Honorable Senator Charles Grassley  
United States Senate  
721 Federal Building  
210 Walnut Street  
Des Moines, IA 50309

Dear Senator Grassley,

Mission Cancer is an Iowa based physician owned practice proudly serving Central Iowa. We serve 24 different communities in Iowa and employ 230 Iowans. We are grateful for the support Iowa's Congressional delegation has shown Iowa providers since the start of the COVID-19 public health emergency, including passing relief programs such as the CARES Act and Paycheck Protection Program which have helped Mission Cancer continue to provide life-saving care to Iowans during this unprecedented time.

We are writing to express our concern over CMS' Most Favored Nation Rule ("MFN") which will significantly impact Mission Cancer, independent oncology practices like us across the country, and the millions of Americans we serve each year. The MFN limits the price Medicare will pay for covered drugs to the lowest adjusted international price. It also changes the methodology used to pay providers for administering covered drugs from a specified percentage of the drug's cost to a flat rate of \$148.73. 36 of the 50 covered drugs are used in oncology and hematology. While we understand action is needed to address the rising cost of prescription drugs, including cancer treatments, the MFN is a rushed policy that is likely to have significant unintended and disastrous consequences on America's seniors.

**1. The MFN Rule Harms Seniors**

The MFN will have a dramatic impact on Medicare beneficiaries' ability to access cancer treatments. 38 of the 50 drugs covered by the MFN are oncology and hematology treatments. Independent oncology providers purchase drugs from manufacturers at prices largely determined by the drug manufacturer, regardless of the payment the provider may receive from the patient's insurer. If oncology providers must purchase covered drugs at rates higher than what they will be reimbursed by Medicare, it is unlikely the provider will be able to continue to offer the covered drug to its patients. Patients will be forced to forgo treatment or transfer their care to entities that are exempt from the MFN rule, such as large cancer centers. **By CMS' own admission in the commentary to the final rule, in 2021 9% of Medicare beneficiaries are projected to forgo access to treatment because of the MFN rule. That number increases to 19% of Medicare beneficiaries in 2023. To be clear, CMS predicts in 2023 19% of Medicare beneficiaries will no longer have access to life saving cancer**



**treatment because of the MFN rule.** Hence, CMS is achieving cost savings by cutting off seniors' access to life-saving treatments. This alone should be sufficient motivation for bi-partisan action to overturn this misguided policy.

## **2. The MFN Rule Harms Independent Practices and Will Reduce Competition & Amounts Spent on Researching New Cancer Therapies**

Independent practices can often provide care more efficiently and at a lower cost than our larger health system counterparts. The MFN will have significant financial repercussions to independent oncology practices that are likely to jeopardize the future of many independent practices. The new rate comes nowhere near reimbursing Mission Cancer for the costs it incurs in connection with providing these covered drugs. Although the interim final rule only applies to Medicare Part B payments, private payors often follow Medicare policies, and the MFN is likely to result in lower reimbursement from private payors as well.

Because this rate reduction does not apply to cancer hospitals, children's hospitals, and certain other providers (including acute care hospitals participating in CMS innovation models), independent oncology practices will be disparately impacted. The significant financial impact may force some to close or sell to health systems further diminishing competition in an industry already experiencing unparalleled consolidation and resulting in patients being driven to higher cost care providers. Reduced competition is also likely to lead to higher health care prices.

The MFN will result in considerably less spending on cancer research. Pharmaceutical manufacturers reinvest a portion of their profits in researching new drugs and therapies; however, they are for-profit companies with shareholders to whom they are accountable. It stands to reason if they make less on cancer treatments, they will have less money to invest in research and may divert research elsewhere. This especially devastating to cancer research since only 3% of cancer therapies make it out of drug trials.

## **3. The MFN Rule Violates the Law**

Finally, the MFN was rushed to publication and implementation without enough time to test its impact and solicit input from stakeholders. CMS used interim final rulemaking; however, a regulatory and payment methodology change of this magnitude is not a proper use of this emergency process. Interim final rules are only appropriate when following formal notice and comment processes is "impracticable, unnecessary or contrary to the public interest." A rule of this magnitude should not be rushed, and its potential impact on patients battling life-threatening illnesses should not be ignored. As with any major regulatory reform, input from stakeholders should be fully considered and addressed by the agency prior to implementation.



In sum, we are asking for your help to stop the implementation of the MFN rule. Thank you for your consideration of this important issue. We welcome any questions or the opportunity to provide additional information you may find helpful to evaluating this important issue.

Respectfully,

DocuSigned by:

*Tom Buroker*

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