May 8, 2017

Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
200 Independence Avenue, SW  
Washington, D.C. 20201

Dear Administrator Verma:

We write today to express our concern regarding biosimilar reimbursement policies finalized in the Centers for Medicare & Medicaid Services’ (CMS) 2016 Medicare Physician Fee Schedule (MPFS) rule. Given that the pipeline and market for biosimilar drugs remain under development and that physician, patient and industry stakeholders, as well as twenty Senators and 33 Representatives, requested the agency not finalize the proposed payment policy, we ask that you review this policy and consider the benefits reversing it would have for patients and the taxpayer.

The emergence of biosimilar drugs has the potential to revolutionize the treatment landscape for many patients by offering them more treatment options at a lower cost. By developing drugs based on the human body’s own biological processes, life science companies have been able to create therapies with treatment possibilities previously unattainable through traditional drug development. In order for the biosimilars market to further develop and succeed, each biosimilar needs a separate Healthcare Common Procedure Coding System (HCPCS) code and associated payment rate.

We have heard concerns from patient and physician groups, pharmacy organizations, biosimilar manufacturers, and other stakeholder organizations that appropriate reimbursement for biosimilar drugs is vital to the creation of a vibrant biosimilar market. A reimbursement structure must appropriately reflect the complexity of these products and the differences between individual biosimilar products. Additionally, a more market-based policy will better support innovation, access, and affordability of these medications.

Biosimilar drugs hold enormous promise for improving health care outcomes for patients and reducing costs for both patients and health care payers such as Medicare and Medicaid. Accordingly, we urge you to reverse the current biosimilar reimbursement policy and adopt a separate coding and payment policy that will result in a robust, sustainable biosimilars market over the long term.

Sincerely,