

Senator Melissa Wiklund, Chair
Senator Alice Mann, Vice Chair
Senate Health and Human Services Committee
75 Rev Dr. Martin Luther King Jr. Boulevard
St. Paul, MN 55155



March 16, 2023

Dear Chair Wiklund, Vice Chair Mann and Honorable Members of the House Committee:

My name is Steve Endrud, Executive Director at Minnesota Oncology (MNO) and I am writing to you today regarding proposed legislation, SF 168, which would establish a Drug Affordability Review Board.

For over 40 years, MNO has delivered patient-centered, comprehensive, and compassionate cancer care in community cancer centers using best practices, state-of-the-art therapies and research which has made us the premier independent provider for patients in Minnesota.

At MNO we value the patient's access to affordable health care and access to the best treatments. We strongly support mechanisms to achieve those outcomes, but we have concerns about the upper payment language in the current version of SF 168. The upper payment limit could cause irreparable harm to oncology practices, and directly threaten access to care for patients in Minnesota communities.

If left unchanged, this would fundamentally impact patient access to anti-cancer drugs while putting additional burdens on community providers. If implemented, it will impact virtually all community oncologists as cancer drugs are typically among the costliest drugs, many of which have no equivalent alternative available.

Setting an upper payment limit could limit patient access to novel, pioneering therapies. Should pharmaceutical companies reduce funding for research and development, it will be much more difficult for scientists and researchers to discover innovative, new breakthroughs to treat chronic, complex conditions – including cancer. Ultimately, this could prevent lifesaving and life-altering drugs from ever coming to market, reducing patient access to current and future treatment.

Additionally, we are concerned that under the bill as proposed, physician practices could be reimbursed for cancer drugs at a rate that does not take into consideration costs occurred by our clinics such as storing, preparing, and administering treatments.

Currently, the community care setting offers the lowest site of service for cancer treatment compared to the hospital outpatient setting. Unfortunately, access to community-based practices has declined over the past decade due in part to reimbursement policies and regulations that disadvantage independent physician practices in favor of large, complex health care systems. As a result, these state and federal policies are making independent physicians more susceptible to acquisition by higher cost facilities. If this trend continues, patients and the state will ultimately foot the bill for a higher shift in cost as community oncology will not be viable.

I remain deeply concerned that mandating an upper payment limit could quickly be another policy that inhibits patient access to breakthrough therapies while imposing further complexity in the delivery of community cancer care, and disproportionately increasing costs to independent providers.

I appreciate your attention to this important issue, and MNO is eager to discuss ways we can ensure patients get the best quality care at an affordable rate.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Endrud".

Steve Endrud, MBA
Executive Director
Minnesota Oncology