

# Community Oncology Alliance Calls on Express Scripts to Fix Underwater Reimbursement to Oncology Pharmacy Providers

*COA Hopes to Resolve Dispute Amicably but is Exploring All Legislative and Legal Avenues to Protect Patients and Practices*

WASHINGTON, D.C., UNITED STATES, February 22, 2024 /EINPresswire.com/ -- The Community Oncology Alliance (COA) sent letters today to Express Scripts, Inc. (ESI) and the Centers for Medicare and Medicaid Services (CMS) expressing serious concerns about underwater reimbursement to independent community oncology practices, as well as for other specialty and retail pharmacy providers. Under the terms of its 2024 contract, ESI is reimbursing pharmacy providers below the cost of doing business, endangering their ability to provide care and medication for patients with cancer and other serious diseases.

COA hopes that ESI is willing to work together to resolve this issue but is working to educate Congress and is prepared to pursue legal remedies, if necessary.

Effective this year, CMS eliminated retroactive direct and indirect remuneration (DIR) fees. Many practices are now reporting a drastic drop in reimbursement rates. This drop appears to be an attempt by ESI to recoup the profits lost from DIR fees by lowering reimbursement rates below the cost of purchasing and dispensing drugs. ESI has created a win-win for itself by forcing practices to accept low-ball reimbursement or send their patients to its wholly owned subsidiary Accredo mail order specialty pharmacy, which disjoints patient care, leads to delays and denials in cancer treatment, and increases costs with increased waste. The situation is not driven by the



best interests of patients, but rather by the potential to capture profits for ESI, especially at any cost to cancer patients.

Lowering reimbursement rates below acquisition costs can be a huge blow to independent cancer care providers, who purchase drugs on razor-thin margins to provide them to patients at the lowest cost. When providers are reimbursed below the cost of acquisition and dispensing, they are forced to cut staff or services, often eventually closing down. Underwater reimbursement from pharmacy benefit managers (PBMs) contributes to the spread of pharmacy deserts across the United States, particularly in rural or underserved communities, and makes it more difficult for patients with cancer to access the care they need.

- [Read the full letter to Express Scripts, Inc. here.](#)
- [Read the full letter on this issue to CMS here.](#)

“At a time when the cost of drugs is increasing and consolidation is reducing patient access to care, I cannot believe that ESI is pursuing profits to this degree,” said Ted Okon, MBA, executive director of COA. “This brazen attempt to squeeze cancer care providers and pharmacists will only hurt patients. When practices close their doors because they cannot afford to do business, patients are forced to travel farther and pay more for lifesaving drugs. It is a sad state of affairs when patient health is secondary to better PBM profit margins.”

While COA has sent this letter to ESI in good faith that a resolution that benefits all parties can be found, it is important to note that COA's duty is, first and foremost, to its members and the patients they serve. In addition to ESI and CMS, COA has sent the letter to the chairs and ranking members of the House Committee on Energy and Commerce, Committee on Ways and Means, Committee on Oversight and Accountability, and the Senate Committee on Finance. If a constructive dialogue is not opened between both parties shortly, COA has indicated it will pursue all legislative remedies and possibly even legal action.

To read the full letter to Express Scripts, Inc. visit the COA website at <https://mycoa.communityoncology.org/education-publications/comment-letters/comment-letter-to-esi-on-underwater-pharmacy-reimbursement>.

The full letter to CMS can be found at <https://mycoa.communityoncology.org/education-publications/comment-letters/comment-letter-to-cms-on-underwater-pharmacy-reimbursement>.

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About the Community Oncology Alliance: COA is a non-profit organization dedicated to advocating for community oncology practices and, most importantly, the patients they serve. COA is the only organization dedicated solely to community oncology where the majority of Americans with cancer are treated. The mission of COA is to ensure that patients with cancer

receive quality, affordable, and accessible cancer care in their own communities. More than 5,000 people in the United States are diagnosed with cancer every day and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more at [www.CommunityOncology.org](http://www.CommunityOncology.org). Follow COA on Twitter at [www.twitter.com/oncologyCOA](https://www.twitter.com/oncologyCOA) or on Facebook at [www.facebook.com/CommunityOncologyAlliance](https://www.facebook.com/CommunityOncologyAlliance).

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