

Community Oncology Alliance Implores Congress to Stem Drug Shortages by Focusing on Manufacturers

COA Submits Comments on Senate Prescription Drug Shortage Legislation

WASHINGTON, D.C., UNITED STATES, June 5, 2024 /EINPresswire.com/ -- The Community Oncology Alliance (COA) has submitted comments to the United States Senate Finance Committee in response to draft legislation aimed at addressing drug shortages. While applauding the bipartisan efforts of the Committee, COA also implores Congress to focus on manufacturers and economics that are the root cause of drug shortages, particularly for generic sterile injectables (GSIs). Meaningfully addressing shortages will require changes to the drug reimbursement system and more transparency during the price negotiation process to encourage manufacturers to produce more GSIs.



Community Oncology Alliance Logo

- [Read COA's full Comments on the Prescription Drug Shortage Discussion Draft](#)

In the comments, COA notes that GSIs are inexpensive and critical therapies for the treatment of cancer, but supply gaps for these drugs have been on the rise over the past decade. These complex, yet very inexpensive drugs, simply are not financially viable due to 340B Pricing Program discounts and Medicaid and Medicare rebates. This means that the price of manufacturing complex GSIs has outstripped the profit margin, often causing manufacturers to lose money on every vial of the drug they manufacture. As a result, many manufacturers have dropped out of the GSI market, leading to much of the manufacturing capability going overseas and being consolidated into single points of failure. This is particularly concerning to COA, as these GSIs are a critical component of cancer care treatment.



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Ted Okon

To encourage manufacturers to reenter the market and recreate a domestic manufacturing base, COA recommends that the Senate Finance Committee create direct financial incentives for manufacturers who produce GSIs domestically, disallowing rebates from pharmacy benefit managers (PBMs), and utilize reimbursement based on Wholesale Acquisition Cost (WAC). These steps will encourage manufacturers to open domestic

manufacturing facilities and allow healthy competition in the GSI market.

“It is personally very frustrating to me because I testified to Congress over 12 years ago on drug shortages and then again last year. My testimonies underscored that until these GSIs are treated fundamentally different by disallowing all rebates and discounts from making them financially unviable, the manufacturing market for these drugs will dry up,” said Ted Okon, executive director of COA. “Sadly, due to a lack of action by Congress to address drug shortages, they have reached a crisis point. It is simply heartbreaking to hear about Americans not able to get the treatments they need, especially for what should be curative cancers. Those with cancer and other life-threatening diseases deserve better.”

Contained within the Senate Finance Committee discussion draft are also provider-based recommendations meant to encourage the creation of stockpiles of critical drugs, such as GSIs. While these ideas have potential, the onus should not be on providers to solve a systemic manufacturing issue caused by low reimbursement. COA also notes that provider-facing recommendations should consider the difference in non-hospital vs. hospital settings. For example, large hospital systems are likely to have more resources and relationships with supply chain middlemen than independent practices, making it easier for the hospital systems to stockpile drugs. This could lead to access issues for patients, creating a two-tiered cancer care system and additional unnecessary spending.

COA appreciates the opportunity to comment on this discussion draft and looks forward to working with the Senate Finance Committee to craft legislation that will address these issues and create a strong, uninterrupted supply of medication for the nation’s patients. We must do better for those with cancer and other life-threatening diseases.

To read COA’s full comment letter, visit <https://mycoa.communityoncology.org/education-publications/comment-letters/coa-comments-on-senate-finance-committee-prescription-drug-shortage-discussion-draft>.

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About the Community Oncology Alliance

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 1.5 million people in the United States are diagnosed with cancer each year and deaths from the disease have been steadily declining due to earlier detection, diagnosis, and treatment. Learn more about COA at www.communityoncology.org.

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