

June 28, 2023

Donna Milavetz, MD
Senior Vice President
Chief Medical Officer,
Regence BlueShield
PO Box 1071
Portland, OR 97207

Dear Dr. Milavetz:

On behalf of the more than 7,700 U.S. rheumatologists and rheumatology health professionals represented by the American College of Rheumatology (ACR), I am writing regarding the new Regence LevelRx program which includes the IntegratedRx-Medical network administered by Prime Therapeutics. The ACR has heard from many concerned rheumatologists, and we request a meeting with you to hear more about the program and its impact on rheumatology practices and patients.

It is the ACR's understanding that the LevelRx program would apply to rheumatology practices that typically infuse or inject specialty drugs reimbursed under the medical benefit. To remain in network with Regence, practices will be required to contract directly with Prime Therapeutics and participate in their IntegratedRx-Medical network. Practices will retain the ability to source drugs directly; however, Prime will manage reimbursement for both the drugs and administration fees. Practices that choose not to participate in the LevelRx program would be required to obtain drugs through an approved external specialty pharmacy and would only be reimbursed for administration.

The announcement of the LevelRx program has raised new concerns around reimbursement and administrative burden which could ultimately impact patient access. Many rheumatologists in your network have questions about the contracting process – including how reimbursement rates will be determined and how and when they could fluctuate. We urge Regence to thoroughly communicate this information prior to the deadline for practices to join the network. For practices that choose not to participate in this program, obtaining drugs through a specialty pharmacy would be untenable as it increases the administrative burden on practices while decreasing reimbursement. Drug administration fees alone will not cover practices' overhead costs associated with in-office administration such as rent and utilities for infusion space, drug storage, insurance, and staff salaries. Practices that opt out of the LevelRx program are more likely to feel compelled to direct patients to a more expensive hospital outpatient setting for treatment.

In addition to these specific concerns about the LevelRx program, practices have also reported challenges when seeking prompt assistance related to the care of Regence members. The ACR is disappointed to learn that Regence no longer has assigned provider representatives and we urge

you to reconsider this decision. Dedicated provider representatives are critical to ensuring that problems are resolved without causing undue administrative burden or harmful treatment delays.

The ACR appreciates and shares your concerns about the price of biologic drugs. However, we are concerned that bringing in a third-party administrator seems counter to the goal of lowering costs. We believe practices should be able to continue operating under the current buy-and-bill model as it ensures patients have safe and continued access to these critical office-administered treatments.

We appreciate your consideration of these concerns and request the opportunity to meet with you to further discuss the LevelRx program. Please contact Meredith Strozier, ACR Director of Practice Advocacy at mstrozier@rheumatology.org or (404)633-3777 with any questions or to arrange a conference call.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RmCm', with a horizontal line extending to the right.

Rebecca Shepherd, MD, MBA
Chair, ACR Insurance Subcommittee