April 16, 2026

The Honorable Robert Aderholt
Chairman
Appropriations Subcommittee on Labor,
Health and Human Services, and Education
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Rosa DeLauro
Ranking Member
Appropriations Subcommittee on Labor,
Health and Human Services, and Education
U.S. House of Representatives
Washington, D.C. 20515

RE: Request for FY27 LHHS report language on access to physician-administered biosimilars

Dear Chairman Aderholt and Ranking Member DeLauro:

The undersigned national and state stakeholder organizations of the **Underwater Biosimilars Coalition** respectfully urge you to include report language in the fiscal year (FY) 2027 Labor, Health and Human Services, Education, and Related Agencies appropriations bill to address Medicare reimbursement and access challenges for physician-administered biosimilars. Specifically, ***we request language directing the Centers for Medicare and Medicaid Services (CMS) to establish, through rulemaking or guidance, a formulary adequacy standard for provider-administered biosimilars in Medicare Advantage (MA).***

Physician-administered biosimilars are essential in the treatment of chronic and debilitating conditions, including rheumatoid arthritis, psoriatic arthritis, and other serious rheumatologic and musculoskeletal diseases. They also play a critical role in managing inflammatory bowel diseases such as Crohn's disease and ulcerative colitis, as well as various neurological disorders and rare diseases. These therapies were introduced to improve access and lower costs; however, current Medicare payment policies often fall short of covering their acquisition costs. This issue stems largely from artificially low average sales prices (ASPs), which are distorted by excessive manufacturer rebates to health plans and pharmacy benefit managers (PBMs) to secure formulary placement. As a result, many biosimilars are "underwater"—reimbursed below their acquisition cost—making it financially infeasible for physicians to provide them in the office setting. Because commercial insurers also base their reimbursement rates for biosimilars off ASP, access for commercially insured children and adults is also being limited.

This challenge is exacerbated by MA plans' step therapy requirements that mandate use of these unaffordable biosimilars before patients can access alternative options. When physicians are unable to absorb financial losses or refer patients to hospital settings, access is delayed or denied entirely. This misalignment with original Medicare threatens to increase costs for the program and create unnecessary risks for patients, particularly those who are immunocompromised or unable to receive treatment in hospital settings.

We are concerned that these challenges undermine the long-term sustainability of the biosimilar market and diminish the value these therapies were intended to bring. We believe CMS must evaluate the drivers of these reimbursement and access barriers and identify solutions to ensure that biosimilars remain a viable and accessible treatment option for all patients, including Medicare beneficiaries.

REQUESTED FY 2027 LHHS REPORT LANGUAGE – Centers for Medicare and Medicaid Services (CMS)
In light of the foregoing, we request that the following report language be included to address the reimbursement and access challenges associated with physician-administered biosimilars in the Medicare program:

Beneficiary Access to Provider-Administered Biosimilars – The Committee is concerned that Medicare beneficiaries encounter barriers accessing certain biosimilars due to reimbursement rates falling below provider acquisition costs which lead to treatment delays, poor outcomes, and higher program costs. Although Medicare Advantage (MA) plans are required to ensure access to covered services, the Committee is concerned that these protections are insufficient when plans apply step therapy protocols that mandate the use of preferred biosimilars that are not reasonably available. Therefore, the Committee directs CMS to establish a formulary adequacy standard in MA requiring that any biosimilar placed in a fail-first position be reasonably available to network providers and, if not, that plans permit timely access to an alternative biosimilar or the reference biologic without additional utilization management. Within 180 days of enactment of this Act, CMS shall also provide the Committee with a report assessing the factors driving biosimilar reimbursement challenges, their effects on beneficiaries, and any statutory authorities needed to further address these issues. Further, the Committee requests an update of its findings, actions, and recommendations to enhance beneficiary access and reduce costs in its fiscal year 2028 congressional justification.

On behalf of our members and the patients we serve, thank you for your continued leadership in ensuring that Medicare policies support access to high-quality, affordable therapies. We appreciate your attention to this matter and welcome the opportunity to provide further information.

Sincerely,

American College of Gastroenterology
American College of Rheumatology
Coalition of State Rheumatology Organizations
Crohn's & Colitis Foundation
Digestive Health Physicians Association
Infusion Access Foundation
Infusion Providers Alliance
Lupus and Allied Diseases Association, Inc.
National Infusion Center Association
National Organization of Rheumatology Management
Spondylitis Association of America
American Society for Gastrointestinal Endoscopy
The Lupus Foundation of America
Alabama Society for the Rheumatic Diseases
Arizona United Rheumatology Alliance
California Rheumatology Alliance
Chicago Rheumatism Society
Colorado Rheumatology Association
Connecticut Rheumatology Association
Georgia Society of Rheumatology
Kentuckiana Rheumatology Alliance
Massachusetts, Maine and New Hampshire Rheumatology Association
Michigan Rheumatism Society
Midwest Rheumatology Association
New York State Rheumatology Society
Ohio Association of Rheumatology
Rheumatology Alliance of Louisiana
Rheumatology Association of Minnesota and the Dakotas
Rheumatology Society of New Mexico
State of Texas Association of Rheumatologists
State of West Virginia Rheumatology Society
Tennessee Rheumatology Society
Virginia Society of Rheumatology
Washington State Rheumatology Alliance
Wisconsin Rheumatology Association