



T E X A S
Women's Healthcare
COALITION

November 16, 2017

Texas Health and Human Services Commission
Attention: Rate Analysis, Mail Code H-400
Brown-Heatly Building
4900 North Lamar Blvd.
Austin, Texas 78751

Dear Health and Human Services Commission:

Thank you for this opportunity to provide testimony today regarding the proposed payment rates for the 2nd Quarter 2017 HCPCS Updates, proposed to be effective January 1, 2018.

The Texas Women's Healthcare Coalition (TWHC) would first like to thank HHSC for reviewing Long Acting Reversible Contraceptive (LARC) rates annually rather than biannually. This change helps decrease the gap between reimbursement rates and acquisition costs, enabling more providers to afford to offer LARC methods. Even with annual reviews, however, the gap between LARC costs and reimbursement can be substantial. We urge HHSC to redesign the rate setting process so that rates are adjusted in real time to reflect acquisition costs for devices. One potential way to approach this challenge is to enable clinician-administered drugs claimed through the medical benefits process to be reimbursed using Vendor Drug Program formulary pricing.

The TWHC would also like to address the proposed payment rate for the U8 modifier for Kyleena (code Q9984), which is used to indicate a LARC was purchased under the 340B program. We strongly appreciate the work HHSC has invested in improving statewide access to LARC, and believe the current proposed rate would inhibit the state's efforts to promote access to all forms of LARC.

Both the interim and proposed rates for Kyleena submitted with the U8 modifier fall below the 340B price of Kyleena. Because this will lead to a reimbursement amount that is less than purchase price, this may result in a disincentive for 340B eligible entities to use the 340B program to purchase Kyleena. Kyleena is an important part of the LARC landscape, offering a low-dose hormonal option that has been approved for all women.

We appreciate both HHSC's and the Legislature's commitment to increasing access to LARC, and believe women should have access to the full range of LARC devices. We urge HHSC to

The Texas Women's Healthcare Coalition (TWHC) is a coalition of 77 healthcare, faith, and community-based member organizations dedicated to improving the health and well-being of Texas women, babies, and families by ensuring access to preventive healthcare – including contraception – for all women.

reevaluate the current rate for Kyleena submitted with the U8 modifier to ensure that 340B eligible providers are being adequately reimbursed for the device and are not discouraged from providing it.

Thank you for your time and consideration.

Respectfully,

A handwritten signature in black ink, reading "Janet P. Realini MD MPH". The signature is written in a cursive style with a large initial "J".

Janet P. Realini, MD, MPH
Steering Committee Chair, Texas Women's Healthcare Coalition