



April 8, 2019

Aaron Zajic, Office of Inspector General  
Department of Health and Human Services  
Attention: OIG-0936-P  
Room 5527, Cohen Building  
330 Independence Avenue SW  
Washington, DC 20201

RE: OIG-0936-P – Fraud and Abuse; Removal of Safe Harbor Protection for Rebates Involving Prescription Pharmaceuticals and Creation of New Safe Harbor Protection for Certain Point-of-Sale Reductions in Price on Prescription Pharmaceuticals and Certain Pharmacy Benefit Manager Service Fees; published at Vol. 84, No. 25 Federal Register 2340-2363 on February 6, 2019.

*Submitted electronically via [www.regulations.gov](http://www.regulations.gov)*

Dear Inspector General,

UnityPoint Health (“UPH”) appreciates this opportunity to provide feedback on the proposed rule. UPH is one of the nation’s most integrated healthcare systems. Through more than 32,000 employees and our relationships with more than 310 physician clinics, 39 hospitals in metropolitan and rural communities and 19 home health agencies throughout our 9 regions, UPH provides care throughout Iowa, central Illinois and southern Wisconsin. On an annual basis, UPH hospitals, clinics and home health provide a full range of coordinated care to patients and families through more than 6.2 million patient visits.

In addition, UPH is committed to payment reform and is actively engaged in numerous initiatives which support population health and value-based care. UnityPoint Accountable Care (UAC) is the ACO affiliated with UPH and has value-based contracts with multiple payers, including Medicare. UAC is a current Next Generation ACO, and it contains providers that have participated in the Medicare Shared Savings Program (MSSP) as well as providers from the Pioneer ACO Model. UnityPoint Health also participates in a Medicare Advantage provider-sponsored health plan through HealthPartners UnityPoint Health.

UPH appreciates the time and effort of the Department of Health and Human Services, and particularly the Office of the Inspector General, in developing and proposing this rule and respectfully offers the following comments.

**SAFE HARBOR PROTECTIONS INVOLVING PRESCRIPTION PHARMACEUTICALS**

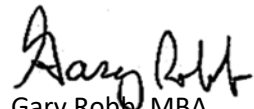
*OIG is proposing to eliminate safe harbor protection for manufacturer reductions in price on prescription pharmaceutical products to Medicare Part D plans and Medicaid Managed Care Organizations (MCOs). To*

*more narrowly address concerns related to drug pricing rebates and discounts, OIG is proposing to add two new safe harbors to protect: (1) discounts between those same entities if such discounts are given at the point of sale and meet certain other criteria, and (2) certain fixed service fees that pharmaceutical manufacturers pay to Pharmacy Benefit Managers (PBMs).*


- **Comment:** We are encouraged that OIG is considering this area for prescription drug pricing transparency reform as it is aligned with our previous comment letter on CMS-4187-P, Regulation to Require Drug Pricing Transparency.<sup>1</sup> UPH wholeheartedly supports policies that will help pop the gross-to-net bubble for prescription pricing and have concerns that the current rebate structure does not promote transparency or shine light on out-of-pocket expenses for beneficiaries. Safe harbors for point of sale discounts and fixed service fee arrangements with PBMs are a step in the right direction.

We are pleased to provide comments to the proposed regulations and their impact on our patients and integrated healthcare system. To discuss our comments or for additional information on any of the addressed topics, please contact Sabra Rosener, Vice President, Government & External Affairs at [sabra.rosener@unitypoint.org](mailto:sabra.rosener@unitypoint.org) or 515-205-1206.

Sincerely,



Gary Robb, MBA  
VP, Chief Pharmacy Officer



Sabra Rosener, JD  
VP, Government & External Affairs

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<sup>1</sup> See UnityPoint Health comment letter (comment tracking number: 1k2-972r-g3ga) submitted on December 12, 2018.