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The Honorable Charles Schumer
Minority Leader
United States Senate
S-221 U.S. Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230 U.S. Capitol
Washington, DC 20510

Dear Majority Leader McConnell and Minority Leader Schumer:

I am writing on behalf of the American Society of Hematology (ASH) to express the Society's concerns as Congress continues to advance tax reform legislation.

ASH represents over 17,000 clinicians and scientists worldwide who are committed to the study and treatment of blood and blood-related diseases. These disorders encompass malignant hematologic disorders, such as leukemia, lymphoma, and multiple myeloma, as well as non-malignant conditions, such as sickle cell anemia, thalassemia, bone marrow failure, venous thromboembolism, and hemophilia. In addition, hematologists were pioneers in demonstrating the potential of treating various hematologic diseases through bone marrow transplantation, and we continue to be innovators in the fields of regenerative medicine, transfusion medicine, and gene therapy. ASH membership is comprised of basic, translational, and clinical scientists, as well as physicians who are providing care to patients in diverse settings including teaching and community hospitals, as well as private practices.

As members of the U.S. House of Representatives and the U.S. Senate come together to negotiate a revised version of the tax legislation, ASH would like to outline a number of provisions that, if included, the Society believes would be harmful to access to care for the patients our members serve.

ASH opposes the repeal of the Affordable Care Act's individual mandate. The Congressional Budget Office (CBO) estimates that this repeal will result in 13 million more Americans being uninsured by 2027. The individual mandate helps to stabilize the health care marketplace and keep premiums down by encouraging more healthy individuals to purchase insurance and thereby, spreading risk more broadly across beneficiaries. The repeal of this mandate will further destabilize the health insurance marketplace and increase premiums for those who need to maintain coverage. Ultimately, higher numbers of uninsured Americans mean more illness, more disease, and higher health care costs. Patients with hematologic diseases and disorders depend on a stable marketplace and affordable premiums, as these individuals are frequently faced with costly, yet clinically vital, treatments.

The Society opposes the repeal or limitation of the Orphan Drug Tax Credit. The tax credit currently allows manufacturers of drugs for rare diseases, defined as a disease that affects fewer than 200,000 people in the US, to claim a tax credit of 50 percent of the qualified costs of clinical and drug testing of orphan drugs. This credit, along with other benefits, has incentivized an increasing number of companies to develop treatments for rare diseases. The Society is very concerned that the proposed changes to the credit would

limit the number of eligible drugs and lead to fewer available treatments for patients with rare diseases, which include many hematologic diseases and disorders, such as hemophilia and sickle cell disease. There are already limited treatment options for these diseases and the treatment options available are costly, with the majority of that cost falling on the patient. The medical research community as a whole must be looking for ways to increase treatment options for these patients, not to limit them.

ASH opposes the repeal of the medical expenses deduction. Currently, individuals are eligible for this deduction if they are spending more than ten percent of their income on medical expenses, and even then, the deduction only applies to those expenses that are more than that ten percent. These are individuals faced with extremely prohibitive costs for medical treatment. According to the Internal Revenue Service (IRS), about nine million individuals use this deduction each year. As previously stated, many individuals with hematologic diseases or disorders are faced with incredibly high treatment costs, and a repeal of this deduction could disproportionately impact the patients our members serve.

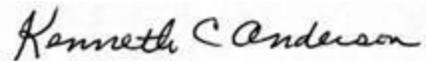
The Society opposes provisions which will disincentivize individuals from pursuing a career in medicine and research. ASH opposes the elimination of the student loan interest deduction, which allows low and middle-income Americans to deduct up to \$2,500 a year in student loan interest. The Society is also opposed to including a provision which would require graduate students to pay income tax on tuition waivers, which allow qualifying students to receive free tuition in exchange for teaching or doing research. ASH believes these changes will disincentivize individuals from pursuing a career in medicine and research as these benefits had lessened the cost barriers faced by today's students, especially those choosing to enter such careers.

Lastly, ASH opposes any cuts to non-defense discretionary spending. The Tax Cuts and Jobs Act was originally expected to add \$1.5 trillion to the federal deficit over the next decade. The Society is very concerned about the negative implications this has for the overall federal budget and on the nation's ability to adequately fund government programs, such as Medicare and public health agencies including the National Institutes of Health and the Centers for Disease Control and Prevention (CDC). CBO estimates that the increased deficit will cause Medicare to be cut by \$25 billion per year. In 2016, 16.7 percent of the population received health insurance through Medicare. Blood cancers disproportionately impact older Americans, who qualify for this program. The median age for diagnosis of acute myeloid leukemia (AML) is 67 years, and more than 60 percent of newly diagnosed patients are older than 60 years. Additionally, one in six beneficiaries or 17 percent qualify for Medicare because of disability. Because of the debilitating nature of the disease, many individuals with sickle cell disease, an inherited chronic disorder affecting nearly 100,000 Americans, qualify for Medicare due to disability. The patient population served by Medicare cannot afford an increase in cost for coverage or a decrease in benefits covered – both of which would be results of such significant cuts.

Elimination of the Prevention and Public Health Fund (Prevention Fund) is also routinely targeted as an option to provide offsets. The Prevention Fund has supported many critical projects at the CDC including investments in immunizations and health-care associated infections which are directly related to patients with hematologic diseases and disorders. Currently, the Fund comprises approximately 12 percent of CDC's budget and should be preserved. The Society is strongly opposed to legislation that could lead to cuts for Medicare, the Prevention Fund, or other critical government programs.

ASH remains committed to protecting access to affordable, high-quality care for all patients with hematologic diseases and disorders. The Society urges Congress to work together in a bipartisan fashion to ensure that provisions harmful to patient access to care are not included in tax legislation. If you have any questions or require further clarification, please contact Suzanne Leous, ASH Chief Policy Officer at sleous@hematology.org or 202-292-0258, or Leslie Brady, ASH Policy and Practice Manager at lbrady@hematology.org or 202-292-0264.

Sincerely,

A handwritten signature in black ink that reads "Kenneth C. Anderson". The signature is written in a cursive style and is centered horizontally.

Kenneth C. Anderson, MD
President

Cc: United States Senate