

MORE THAN 225 ORGANIZATIONS ARE CALLING ON HHS TO MOVE FORWARD WITH PART D PROPOSALS THAT HELP SENIORS SAVE MONEY ON PRESCRIPTION MEDICATIONS.

Dear Secretary Azar,

On behalf of our members and the undersigned organizations – representing Medicare beneficiaries and patients across the health care spectrum – we strongly encourage the Department of Health & Human Services (HHS) to act on the administration’s promise to lift the burden of prescription drug costs and move forward with select changes that would improve the Medicare prescription drug benefit.

With at least 23 prescription drug coverage plans available in every region across the country, the Medicare Part D program plays a vital role in improving patient access to quality medications and treatment. As you know, Part D plans negotiate substantial discounts and rebates with drug manufacturers. These negotiations and the program’s competitive marketplace structure have successfully kept Part D total program costs down. In fact, overall Part D costs are \$349 billion less than originally estimated when the program was first created.

The Part D program has also been instrumental in controlling overall federal spending on Medicare thanks to the program’s success in expanding coverage and increasing adherence to treatment among beneficiaries. Increasing adherence keeps costly hospitalizations and other complications to a minimum, resulting in less cost over the long term.

These savings were demonstrated in a 2014 study where experts estimated that reduced hospital expenditures associated with increased prescription drug coverage produced aggregate savings of approximately \$1.5 billion per year.

However, as the President and Secretary of Health and Human Services have noted, patients are having difficulty affording their medicines in the Medicare program. As stated in the administration’s recent request for information, “Medicare Part D has been very successful since it launched in 2006. However, prescription drug markets are different than they were 12 years ago.” It is imperative that Medicare Part D’s competitive structure remains protected. However, some refinements are needed to maintain the program’s successful structure and ensure it continues to be effective.

We are hopeful that HHS will move forward with the drug pricing proposals outlined by the administration that are designed to put patients first.

Specifically, we urge you to move forward with the proposal that would require plans to share a minimum portion of drug rebates directly with patients at the pharmacy counter. According to research from IMS Health, the rebates negotiated under Part D have resulted in an average 35.3 percent discount from manufacturers across 12 therapeutic areas in Part D. We support taking steps to ensure patients realize those savings and allow them to more directly benefit from the substantial discounts and rebates offered by drug manufacturers. This change will enhance patients’ awareness of discounts and provide more of the savings to beneficiaries without compromising access to the wide range of treatment options provided under Part D.

In addition to the rebate savings proposal, we also commend the president for proposing an out-of-pocket spending cap to help seniors in the catastrophic phase save more on prescriptions. Establishing a beneficiary out-of-pocket maximum would significantly help patients who currently spend the most out-of-pocket for their medications. The change would also shift more responsibility onto plans and could create further incentives to lower prices and increase benefits for patients in the catastrophic phase.

Our organizations are very encouraged by these proposed changes and the administration’s dedication to lowering costs for patients. We hope that HHS acknowledges the benefits of these proposals and supports efforts to implement positive changes within the Medicare program. We also call on HHS to identify changes that could be harmful to patients – such as changes to the protected classes, limiting the number of covered drugs per class, and no longer allowing manufacturer coverage gap discounts to count towards patients’ true out-of-pocket spending – and reject any proposal that would undermine the future success of the important Medicare Part D program.

Thank you for your support!

HELP LOWER OUT-OF-POCKET COSTS FOR PART D BENEFICIARIES. SUPPORT THE REBATE PASS-THROUGH AND OUT-OF-POCKET CAP PROPOSALS TODAY!