

Protect Patient Access to Medication

February 21, 2017

Dear Member of Congress,

We, the undersigned organizations, are writing to express opposition to proposals that would allow the Secretary of Health and Human Services (HHS) to interfere in private negotiations in the Medicare Part D program. We are concerned that such proposals could undermine Part D's competitive structure and restrict access for millions of seniors and individuals with disabilities. Our organizations are the voice for millions of people, many of whom have serious and life-threatening chronic conditions, their caregivers, and people with disabilities who depend on the Part D program.

Medicare Part D's competitive structure has been critical to the program's success. Notably, Medicare baselines from the Congressional Budget Office (CBO) show that total Part D costs are nearly \$350 billion less than the initial 10-year cost estimate. Additionally, Part D spending, including both brand and generic drugs, made up only 11.8 percent of Medicare spending in 2015. CMS once again announced this year that average monthly premiums will be relatively stable at \$34 in 2017, and a recent Medicare Today survey shows that nearly 90 percent of beneficiaries are satisfied with their coverage.

When Part D was created, the intent was to have robust Part D plan competition and negotiation to drive substantial savings for beneficiaries. As a result, Congress included a provision known as the "non-interference" clause. The provision prohibits the HHS Secretary from participating in the private price negotiations between Medicare Part D plans, drug manufacturers and pharmacies. Instead, Part D plans negotiate substantial discounts and rebates with drug manufacturers as a condition of participation in the program.

The Medicare Trustees report shows that these rebates are substantial and that average rebates have increased each year of the program. Additionally, a recent study by IMS, a leading global information and technology services company, showed that negotiated rebates and discounts in Part D average 35 percent across 12 widely used therapeutic areas, and CBO has stated that Medicare Part D plans "have secured rebates somewhat larger than the average rebates observed in commercial health plans." The Government Accountability Office (GAO) has also reported that Part D plans lower costs for beneficiaries, "through their ability to negotiate prices with drug manufacturers and pharmacies." These privately negotiated savings are passed through to beneficiaries in the form of lower premiums, deductibles and cost-sharing.

Some suggest allowing government interference in Part D might constrain Medicare cost growth. However, CBO has repeatedly said that this approach would have a negligible impact on federal spending unless the department of Health and Human Services also limits beneficiary access to needed prescription medications. Such restrictions could include a single, national formulary for Part D plans and increased reliance on step therapy or fail first policies, which could have a harmful impact on the people we represent.

Restricting access also means that Medicare Part D beneficiaries may not take the medicines they need. Taking medicines as prescribed can improve health outcomes and help to avoid costly ER visits and hospitalizations. For example, a 2014 study by researchers at Johns Hopkins University and the University of Illinois found that gaining prescription drug coverage through Part D was associated with

an 8 percent decrease in hospital admissions for seniors and about \$1.5 billion in aggregate savings to the Medicare program each year. Proposals that limit beneficiary access to needed medicines could contribute to higher costs in other more expensive healthcare settings while also unnecessarily harming beneficiaries' health.

We believe that repeal of the non-interference provision could jeopardize beneficiaries' access to comprehensive, affordable prescription drug coverage and would undermine the structure of a highly successful program upon which millions of people rely. We urge you to listen to the voice of patients and reject any proposals that would allow government interference in Part D negotiations.

Sincerely,

ADAP Advocacy Association
Alliance for Aging Research
Alliance for Patient Access
American Liver Foundation
American Society of Plastic Surgeons
California Life Sciences Association (CLSA)
Caregiver Action Network
Community Access National Network
Community Health Action Network
Council for Affordable Health Coverage
Healthcare Leadership Council
The International Foundation For Autoimmune Arthritis (IFAA)
Lupus and Allied Diseases Association, Inc.
National Association of Hepatitis Task Forces
National Association of Manufacturers
National Council for Behavioral Health
National Grange
National LGBT Cancer Project
National Minority Quality Forum
National Osteoporosis Foundation
PCa Blue Inc.
Prevent Blindness
RetireSafe
The AIDS Institute
The Latino Coalition
The Veterans Health Council
Third Way
U.S. Pain Foundation
Vietnam Veterans of America
1in9: The Long Island Breast Cancer Action Coalition
Action CF
Action Wellness
Advocates for Responsible Care (ARxC)
AIDS Response Seacoast
AIDS Services of Austin
Alabama Council for Behavioral Healthcare

Alabama Lifespan Respite Resource Network
Alabama Silver Haired Legislature
Alliance Community Services
Alzheimer's & Dementia Alliance of Wisconsin
Alzheimer's & Dementia Resource Center
Alzheimer's Texas
American Liver Foundation – Great Lakes Division
American Liver Foundation – Heartland
American Liver Foundation – Mid-South Division
American Liver Foundation – Pacific Coast Division
American Liver Foundation – Upper Midwest Division
Ames Chamber of Commerce
Arizona Hemophilia Association
Asthma and Allergy Foundation of America – New England Chapter
Bingham County Senior Citizen's Center
Biocom
BioForward Wisconsin
BioHouston
BioKansas
BioNebraska Life Sciences Association
BioNJ
BioOhio
Bioscience Association of West Virginia
BioUtah
Brain Injury Alliance of Nebraska
Brain Injury Association of Tennessee
Bridging Access to Care
Burn Institute
CalAsian Chamber of Commerce
California Association of Area Agencies on Aging (C4A)
California Hepatitis C Task Force
California Senior Advocates League
Cancer Support Community Central Ohio
Care Home Alliance of Nevada
Caribou County Senior Center
Caring Ambassadors
Carrie's TOUCH
Central Florida Behavioral Health Network
Centro Civico Mexicano
Centro de Mi Salud, LLC
Charleston Parkinson's Support Group
Climbing For Carleen
Coalition of Texans with Disabilities
Coalition on Aging
Colorado BioScience Association
Colorado Business Roundtable
Colorado Competitive Council
Colorado Gerontological Society

Colorado Health Network
Colorado Respite Coalition
Colorado State Grange
Community Council of Idaho
Communtiy Health Action of Staten Island
Community Health Charities of Nebraska
Desert AIDS Project
Dia de la Mujer Latina
Direction Home Akron Canton
Easter Seals Colorado
Easter Seals Iowa
Easter Seals Massachusetts
Easter Seals Nebraska
Easter Seals Serving Central Texas
Elder Care Services, Inc.
Embracing Latina Leadership Alliances (ELLAS)
Epilepsy California
Epilepsy Foundation of Arizona
Epilepsy Foundation of East Tennessee
Epilepsy Foundation of Greater Chicago
Epilepsy Foundation of Western Wisconsin
Equitas Health
Fairhill Partners
Familia Unida Living with MS
First Step House
Florida Society of Clinical Oncology
Florida Society of Rheumatology
Florida State Hispanic Chamber of Commerce
Garden Valley Senior Center
Gay Men Aloud
Georgia Bio
Granite State Taxpayers
Greater Oak Brook Chamber of Commerce
Hannah's Hope Fund
Harlem United
Hayden Senior Center
HEALS of the South
Healthy African American Families, II
Heartshare Wellness Ltd
Hemophilia Foundation of Oregon
Idaho State Grange
iHealth, Inc
Illinois Biotechnology Innovation Organization
Illinois Manufacturers' Association
Immune Deficiency Foundation
Iowa Biotechnology Association
Iowa State Grange
JobKeeper Alliance

Kansas Association of Osteopathic Medicine
Kansas City Area Life Sciences
Kansas State Grange
Kentucky Chamber of Commerce
Kentucky Life Sciences Council
Latino Diabetes Association
Life Science Tennessee
Life Sciences Pennsylvania
Louisiana Psychiatric Medical Association
Lupus Alliance of Upstate New York
Lupus Colorado
Lupus Foundation New England
Lupus Foundation of America, Mid-South Chapter
Lupus Foundation of Arkansas, Inc.
Lupus Foundation of Florida
Lupus Foundation of Southern California
Lupus LA
Lupus of Nevada
Maine State Grange
Malecare
Manufacture Alabama
Massachusetts Association for Mental Health
MassBio
Matthew 25 AIDS Services
Medical Alley Association
Melba Valley Senior Center
Mental Health America Franklin County Ohio
Mental Health America of Louisiana
Mental Health America of Montana
Metropolitan Milwaukee Association of Commerce
Michigan Ambulatory Surgery Association
Michigan Association of Health Underwriters
Michigan Biosciences Industry Association (MichBio)
Michigan Chamber of Commerce
Michigan Lupus Foundation
Michigan Manufacturers Association
Michigan Osteopathic Association
Minnesota Rural Health Association
Missouri Association of Osteopathic Physicians & Surgeons
Missouri Biotechnology Association
Montana BioScience Alliance
Mountain Mission, Inc.
NAMI Alabama
NAMI Buffalo & Erie County
NAMI Davidson County
NAMI Dona Ana County
NAMI Greater Des Moines
NAMI Greater Kansas City

NAMI Iowa
NAMI Kansas
NAMI Kentucky
NAMI Missouri
NAMI Montana
NAMI Nebraska
NAMI New Mexico
NAMI North Carolina
NAMI North Dakota
NAMI Northern Kentucky
NAMI of Central Suffolk
NAMI Ohio
NAMI Owensboro
NAMI Rochester
NAMI Sioux Falls
NAMI South Dakota
NAMI Southwest Washington
NAMI St. Louis
NAMI Tennessee
NAMI Texas
NAMI Thurston/Mason
NAMI Utah
NAMI Virginia
NAMI Washington
NAMI Wisconsin
NAMI Wyoming
National Association of Social Workers – North Carolina Chapter
National Association of Social Workers – Texas Chapter
National Parkinson Foundation Ohio Chapter
National Patient Advocate Foundation – WA State President’s Council
Nebraska Kidney Association
New England Hemophilia Association
New Jersey Association of Mental Health and Addiction Agencies, Inc.
New Jersey Mayors Committee on Life Sciences
New Market Grange No. 362
New Mexico Biotechnology & Biomedical Association (NMBio)
New Mexico Business Coalition
New Orleans Council on Aging
North Carolina Biosciences Organization
North Carolina Psychological Association
North Carolina State Grange
North Dakota Autism Connection
Northeast Kidney Foundation
Northern Utah Coalition, Inc.
Northwest Parkinson’s Foundation
Ogden Branch of the NAACP
Ohio Chamber of Commerce
Ohio Conference of NAACP

Ohio Sickle Cell and Health Association
Ohio State Grange
Oklahoma State Grange
One in Four Chronic Health
ONEgeneration
Oregon Bioscience Association
Oregon State Grange
Oregon State Urological Society
Pennsylvania State Grange
Pleasant Ridge Grange #135
Prescription Assistance Network of Stark County
Prevent Blindness Iowa
Prevent Blindness Ohio
Psychosocial Rehabilitation Association of New Mexico
Rio Grande Valley Diabetes Association
Rocky Mountain Health Network
Rocky Mountain Stroke Center
Rush To Live Organization
Sage Utah
San Francisco AIDS Foundation
SCBIO
Scleroderma Foundation – Rocky Mountain Chapter
Scleroderma Foundation – Washington Evergreen Chapter
Senior Connections, The Capital Area Agency on Aging
Seniors United
Sickle Cell Foundation, Inc.
South Carolina Advocates For Epilepsy
South Carolina Manufacturers Alliance
South Dakota Biotech Association
Southern Arizona AIDS Foundation
Star Senior Center
Startech International
State Grange of Minnesota
Suicide Awareness Voices of Education
Survivors Cancer Action Network – Alabama
Tennessee Men’s Health Network
Tennessee State Grange
Texas Association of Business
Texas Association of Manufacturers
Texas Conservative Coalition Research Institute
Texas Healthcare and Bioscience Institute
Texas Life Science Foundation
Texas Life-Sciences Collaboration Center
Texas State Grange
TexHealth Central Texas
The Alliance for Positive Change
The Center for Health Care Services
The Epilepsy Foundation of Louisiana

The Greater North Dakota Chamber
The Green Foundation
The Kim Foundation
The Playing For Life Foundation
The Senior Citizens Council
The Wall Las Memorias Project
United Peoria Foundation
Utah Advocates
Utah Pride Center
Utah Support Advocates for Recovery Awareness (USARA)
Utah Women's Lobby
Valle del Sol
Vietnamese Social Services of Minnesota
Virginia Bio
Virginia Breast Cancer Foundation
Virginia Chamber of Commerce
Virginia Hispanic Chamber of Commerce
Visiting Nurse Association of Pottawattamie County
Visiting Nurse Association of the Midlands
Washington State Prostate Cancer Coalition
Washington State Urology Society
Wellness & Education Community Action Health Network (WECAHN)
Wisconsin Association of Osteopathic Physicians & Surgeons
Wisconsin Manufacturers and Commerce
Wisconsin Rheumatology Association, Inc.
Wisconsin State Grange
Wisconsin Women's Health Foundation
WomenHeart of Des Moines
Wound Care Clinic – ESU
Wyoming Epilepsy Association
Wyoming State Advocates in Leadership
Yuma Chamber of Commerce