

## 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