



June 4, 2019

The Honorable Richard Neal
Chairman
U.S. House of Representatives
Ways and Means Committee
Washington, D.C. 20515

The Honorable Kevin Brady
Ranking Member
U.S. House of Representatives
Ways and Means Committee
Washington, D.C. 20515

The Honorable Frank Pallone, Jr.
Chairman
U.S. House of Representatives
Committee on Energy and Commerce
Washington, D.C. 20515

The Honorable Greg Walden
Ranking Member
U.S. House of Representatives
Committee on Energy and Commerce
Washington, D.C. 20515

Dear Chairmen Neal and Pallone, and Ranking Member Brady and Walden:

The Healthcare Leadership Council (HLC) appreciates the opportunity to provide feedback on your draft proposal to modernize Medicare's Part D prescription drug program. The Part D program has successfully provided comprehensive, affordable drug coverage to seniors since 2006. We agree, however, that there are modifications and changes to the program that would improve incentives for all stakeholders, provide real financial protection for sicker beneficiaries, and reduce taxpayer costs. HLC commends the Committees' efforts to tackle such an important issue. We support the concept of an out-of-pocket cap within Medicare Part D, however, we are concerned about the current proposal and encourage the committees to ensure that beneficiaries are not negatively impacted by significant premium increases or access restrictions.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century healthcare system that makes affordable high-quality care accessible to all Americans. Members of HLC – hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, post-acute care providers, home care providers, and information technology companies – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

In the current Medicare Part D program, beneficiaries are only responsible for 5 percent of drug costs above the catastrophic threshold. However, 5 percent of a \$100,000 drug is burdensome for seniors. Annual out-of-pocket expenses for these patients are significant. Beneficiary spending exceeds more than \$3,000 on average, and one in 10 beneficiaries spends at least \$5,200 for out-of-pocket prescription drug costs. HLC supports an out-of-pocket cap that provides all seniors with certainty and financial relief. We believe that any changes to the Medicare Part D program should be patient-centered and address beneficiaries' affordability issues.

HLC believes that establishing an out-of-pocket cap is a meaningful way to help seniors afford the lifesaving prescription drugs they need, especially those who are not eligible for supplemental help. The cost associated with an out-of-pocket cap needs to be shared among stakeholders, including, but not limited to health plans, pharmaceutical manufacturers, and the federal government.

Thank you for the opportunity to comment on the proposed legislation. HLC looks forward to continuing to collaborate with you on this important issue. If you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435 or dwitchey@hlc.org.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mary R. Greal".

Mary R. Greal
President