

October 29, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader McConnell, Leader Schumer, Speaker Ryan and Leader Pelosi:

The undersigned organizations representing healthcare providers, patients, public health experts, businesses, workers, people of faith, women, consumers, and Medicare beneficiaries are committed to advancing public health and promoting access to affordable medicines. Together, we are writing to call on you to reject any measures that would increase drug costs for consumers, including rolling back the provisions in the Bipartisan Budget Act of 2018 (BBA) that make brand-name prescription drugs more affordable for people with Medicare.

In February, as part of the bipartisan budget deal reached in Congress, policymakers agreed to lower prescription drug costs for seniors and people with disabilities by increasing the discounts the pharmaceutical industry must provide for drugs purchased in the Medicare Part D donut hole¹ from 50 percent to 70 percent, beginning in 2019.ⁱ That increased discount is projected to result in lower federal government and beneficiary spending for prescription drugs in Part D through lower premiums and reduced out-of-pocket costs.

This is a modest step towards providing relief for Medicare beneficiaries, many of whom struggle to afford needed medicines. The average older American takes 4.5 brand name prescription drugs on a chronic basis, the prices of which have been routinely rising at a rate that outpaces inflation for the last decade.ⁱⁱ Ever-increasing spending on prescription drugs is being driven by high prices on brand name drugs set by prescription drug companies.ⁱⁱⁱ As a result, nearly one in four Americans report that they or another family member have not filled a recent prescription because of cost.^{iv}

Every day, people with Medicare face impossible choices between purchasing the medicines they need and being able to afford other necessities of life, like paying the rent or the mortgage and putting food on the table. Lessening beneficiary prescription drug affordability by rescinding the BBA's donut hole changes—only to provide a \$4 billion windfall to the pharmaceutical industry^v—would be a deeply concerning retreat from the progress that Congress achieved in enacting those reforms earlier this year.

¹ "Donut hole" is the common nomenclature for the Medicare Part D coverage gap, the period in Part D coverage after the beneficiary passes the initial coverage limit and before reaching the catastrophic coverage threshold, wherein the beneficiary has faced increased out-of-pocket costs. The Affordable Care Act included provisions to close the donut hole over time, bringing beneficiary out of pocket costs into alignment with those in the initial coverage period.

We call on you to protect these important advances—to prioritize older adults and people with disabilities—not the prescription drug companies. Please do not decrease the pharmaceutical industry’s donut hole discount.

Sincerely,

Public Citizen
Families USA
Medicare Rights Center
Social Security Works
Aging Life Care Association
AIDS Healthcare Foundation
Alliance for Retired Americans
American Federation of Teachers
American Medical Student Association
American Muslims Health Professionals
B'nai B'rith International
Business Initiative for Health Policy
Center for American Progress
Center for Medicare Advocacy
Center for Popular Democracy Action
Chronic Illness Advocacy & Awareness Group
Community Catalyst`
Consumer Action
Consumers Union
Gray Panthers
Health Care for America Now
International Association of Machinists and
Aerospace Workers
Just Care

Justice in Aging
Labor Campaign for Single Payer
Latinos for a Secure Retirement
National Association of Area Agencies on Aging
National Association of Social Workers
National Center for Health Research
National Committee to Preserve Social Security
and Medicare
National Health Law Program
National Organization for Women
National Physicians Alliance
National Women's Health Network
NETWORK Lobby for Catholic Social Justice
People Demanding Action
People of Faith for Access to Medicines
People's Action
Physicians for a National Health Program
Raising Women's Voices for the Health Care We
Need
Service Employees International Union (SEIU)
THE BETES
Treatment Action Group
UNITE HERE
Voices for Progress

ⁱ Mendelson, Dan, Pearson, Caroline F. Avalere (2018, February 8). Impact of Coverage Gap Discount Changes in Budget Agreement. Retrieved October 8, 2018, from <http://avalere.com/expertise/life-sciences/insights/impact-of-coverage-gap-discount-changes-in-budget-agreement>

ⁱⁱ Schondelmeyer, Stephen W., Purvis, Leigh. AARP Public Policy Institute (2018, September). Brand Name Prescription Drug Prices Increase Four Times Faster than Inflation in 2017. Retrieved October 8, 2018, from <https://www.aarp.org/content/dam/aarp/ppi/2018/09/brand-name-prescription-drug-prices-increase-four-times-faster-than-inflation.pdf>

ⁱⁱⁱ Kesselheim, Aaron S., Avorn, Jerry, Sarpatwari, Ameet. (2016, August 23). The High Cost of Prescription Drugs in the United States. Retrieved October 8, 2018, from <http://jamanetwork.com/journals/jama/article-abstract/2545691>

^{iv} Ibid.

^v Pear, R. (2018, September 28). Drug Industry Tries to Slip \$4 Billion Windfall Into Opioid Bill. *The New York Times*. Retrieved October 8, 2018, from <https://www.nytimes.com/2018/09/24/us/politics/opioid-bill-drug-companies.html>