

September 25, 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
United States House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, DC 20510

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

We are writing to urge you to preserve the actions Congress took in the Bipartisan Budget Act (BBA) of 2018 to protect seniors and taxpayers from out-of-control drug prices. Over the past five years, drug manufacturers have increased the prices of brand name drugs at 10 times the rate of inflation – creating a health crisis that leaves one in four Americans unable to afford the medications they need. Now, more than ever, it is critical that Congress keep in place the important policies enacted in the BBA that help lower high out-of-pocket prescription drug costs, particularly for those facing the highest cost burdens. As such, we urge you to stand with Medicare beneficiaries and taxpayers to resist any attempts from the pharmaceutical industry to undo these critical reforms.

The BBA included important provisions to improve the affordability of prescription drugs for seniors by closing the Medicare Part D coverage gap or “doughnut hole” one year earlier and requiring higher drug manufacturer discounts on brand name prescription drugs for enrollees while they are in that coverage gap. The higher discount will help reduce out-of-pocket costs for seniors and lowering their premiums.

Now, rather than build off the progress Congress has made to lower out-of-pocket costs brand-name drug manufacturers are actively working to reverse this change at the expense of patients and taxpayers by reducing the manufacturer discount from 70 to 63 percent. Moving forward with such a proposal would dramatically increase costs for seniors and taxpayers, who will be forced to subsidize what amounts to a multi-billion-dollar bailout for the price-gouging pharmaceutical industry.

Patients enrolled in Medicare Part D – particularly those with limited incomes – should never have to make the choice between buying groceries for their families and purchasing the medications they need to get and stay well. Unfortunately, that’s a reality too many Americans are facing due to continued efforts by drug manufacturers to increase profits, regardless of who is harmed. That’s why we’re urging you to thwart any efforts by the pharmaceutical industry to lower the drug manufacturer discount in the Part D program.

Prescription drug prices will continue to increase at unsustainable rates unless Congress continues to hold the pharmaceutical industry to account for out-of-control drug prices. Conversely, tying a bailout for the pharmaceutical industry to any legislative efforts will come at the expense of patients and taxpayers and send the exact opposite message – especially if the purpose of the vehicle is to help Americans fight opioid addiction, an epidemic that the drug companies themselves helped create in the first place.

We look forward to our continued work with you to adopt and implement bipartisan, market-based solutions that will slow the unsustainable growth in prescription drug prices for U.S. consumers and their families without imperiling the discovery of innovative breakthrough therapies that can improve the health and well-being of patients.

Sincerely,

AARP

AFSCME

American Academy of Family Physicians

American Gastroenterological Association

American Hospital Association

America's Health Insurance Plans

Blue Cross Blue Shield Association

Blue Cross Blue Shield of Michigan

Blue Shield of California

Campaign for Sustainable Rx Pricing

Families USA

National Coalition on Health Care

Medicare Rights Center

Kaiser Permanente

Patients for Affordable Drugs

UAW Retiree Medical Benefits Trust