November 13, 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 of 2018 (BBA) to protect seniors and taxpayers from out-of-control drug prices as you embark on the lame duck session of Congress. 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 during the lame duck session.

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 lower their premiums.

Now, rather than build off the progress Congress has made to lower out-of-pocket costs, brand-name drug manufacturers are continuing to actively work 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 during the lame duck session 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 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 accountable for out-of-control drug prices. Conversely, tying a bailout for the pharmaceutical industry to any legislative efforts during the lame duck session will come at the expense of patients and taxpayers and send the exact opposite message, particularly at a time when drug prices remain needlessly high and unaffordable for too many patients.

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

Sincerely,

AARP
Alliance of Community Health Plans
America’s Health Insurance Plans
American College of Physicians
American Hospital Association
Anthem
ASHP
Blue Cross Blue Shield Association
Blue Cross Blue Shield of Michigan
Blue Shield of California
Campaign for Sustainable Rx Pricing
Families USA
Federation of American Hospitals
Kaiser Permanente
Medicare Rights Center
National Coalition on Health Care
Patients for Affordable Drugs