



June 6, 2019

The Honorable Richard Neal  
Chairman  
House Ways and Means Committee  
Washington, DC 20515

The Honorable Kevin Brady  
Ranking Member  
House Ways and Means Committee  
Washington, DC 20515

The Honorable Frank Pallone  
Chairman  
House Energy and Commerce Committee  
Washington, DC 20515

The Honorable Greg Walden  
Ranking Member  
House Energy and Commerce Committee  
Washington, DC 20515

Dear Chairman Neal, Chairman Pallone, Ranking Member Brady, and Ranking Member Walden,

The Campaign for Sustainable Rx Pricing (CSRxP) thanks you for the opportunity to comment on the bipartisan draft legislation to improve Medicare Part D. We very much appreciate your leadership in seeking to lower prescription drug costs for Medicare beneficiaries and taxpayers.

CSRxP is a nonpartisan coalition of organizations committed to fostering an informed discussion on sustainable drug pricing and to developing bipartisan, market-based solutions that promote competition, transparency, and value to improve affordability while maintaining patient access to innovative prescription drugs that can improve health outcomes and save lives. Our members represent organizations including consumers, hospitals, physicians, nurses, pharmacists, employers, pharmacy benefit managers and insurance providers.

Prescription drug prices are needlessly high and continue to grow at unsustainable rates. Twenty-three cents of every health care dollar go toward prescription drugs.<sup>1</sup> One in four Americans cannot afford their medications. Excessively high prices unfairly threaten the financial security, health and wellbeing of U.S. patients and their families every day, as well as strain Federal and state health budgets and the taxpayers who fund them. Too often patients experience the unfortunate and unfair choice of purchasing the medications they need to get well and stay healthy and paying their bills. Patients should never be presented with such a choice.

CSRxP therefore strongly believes it is imperative to rein in out-of-control drug prices and welcomes the leadership of these Committees to address the critical drug pricing problem, particularly with respect to Medicare Part D. We ardently believe that significant actions must be taken to address the root cause of the core problem: drug manufacturers – and drug manufacturers alone – set list prices too high and continue to raise them at unsustainably high rates.

In this light, we applaud the bipartisan effort of the Committees to consider ways to lower costs for Medicare Part D beneficiaries and taxpayers. We agree that capping out-of-pocket costs will have a meaningful impact on Part D enrollees. Such a policy will increase prescription drug affordability for the

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<sup>1</sup> AHIP. [“Where Does Your Healthcare Dollar Go?”](#) May 22, 2018.

many Medicare beneficiaries with high drug cost in particular who live on limited, fixed incomes. It is imperative that this policy be coupled with additional policies, however, that get to the root cause of the problem. Unfortunately, nothing in the draft legislation directly limits or restricts the pharmaceutical industry's ability to continue to set high list prices and increase those prices at needlessly high rates. The draft legislation does not hold the pharmaceutical industry accountable or liable for the unnecessary, skyrocketing prices they are imposing on consumers and taxpayers. We fully expect that the industry will continue to engage in this behavior that hurts patients and taxpayers unless serious actions are taken to prevent it from continuing.

CSRxP strongly believes that any consideration of capping out-of-pocket expenses in Medicare Part D must necessarily include in concert consideration of policies that increase competition, resulting in pressure for drug manufacturers to lower prices. Without changing drug makers' incentives related to current pricing practices, prices will continue to rise and costs will continue to skyrocket for both Part D enrollees in the forms of higher premiums and cost-sharing, as well as for the Medicare program and the taxpayers who fund it. Neither of these outcomes is acceptable or sustainable for Medicare beneficiaries and taxpayers.

CSRxP further strongly believes that any restructuring of Part D reinsurance must hold drug manufacturers liable and accountable for the costs their high-priced drugs are imposing on Medicare and the taxpayers who fund the program. Manufacturers must bear their clear responsibility in making Part D reinsurance cost growth unsustainable for Medicare due to the excessively high list prices they set and increase at needlessly high rate. Without requiring manufacturers to assume a significant portion of liability in reinsurance, they simply will continue to engage in pricing practices that raise Part D costs, placing the program on less sound footing for current and future Medicare beneficiaries.

Again, CSRxP wishes to applaud the Committees for their bipartisan leadership and thank them for the opportunity to comment on draft legislation to improve Medicare Part D and prescription drug affordability for seniors. While we appreciate the intent of the proposal, we strongly believe that manufacturers must be held accountable for the systemic drivers of price increases if we are to consider ways to cap beneficiary out-of-pocket expenses and restructure Part D reinsurance. CSRxP would welcome the opportunity to continue discussing with you efforts to enhance Medicare Part D, as well as other bipartisan, market-based policies that promote transparency, foster competition, and incentivize value to make prescription drugs more affordable for all consumers while at the same time maintaining access to the treatments that can improve health outcomes and save lives.

Sincerely,



Lauren Aronson  
Executive Director  
The Campaign for Sustainable Rx Pricing