

June 6, 2019

The Honorable Frank Pallone
Chairman
Energy and Commerce Committee
U.S. House of Representatives
Washington, DC 20515

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

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

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

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

Thank you for the opportunity to provide feedback on the draft legislation related to Medicare Part D released on May 23.

Out-of-pocket costs for patients in the Medicare Part D program with serious and chronic health conditions, including lung disease, can be extremely burdensome. Patients who enter the catastrophic phase often have very high-priced medications, and even paying five percent coinsurance in this phase still translates to significant out-of-pocket (OOP) costs. In 2016, 3.6 million beneficiaries reached the catastrophic phase, highlighting the scope of this problem.¹ The Lung Association appreciates your commitment to addressing this important affordability issue for patients.

The Lung Association strongly supports establishing an out-of-pocket cap for Medicare Part D beneficiaries. Lung disease patients could benefit enormously from this change. For example, research from the Kaiser Family Foundation found that the median out-of-pocket costs for Part D enrollees for fourteen cancer medications all exceeded \$8,000 per year in 2019.² In addition to helping to resolve the affordability problems, this change could also help to improve medication adherence. The association between out-of-pocket costs and medication adherence is well-documented, and research has shown that high out-of-pocket costs are associated with patients' delaying care and failing to fill their prescriptions.³ As a result, an OOP cap in the Medicare Part D program could increase medication adherence among patients and ultimately improve health outcomes.

It is important that the OOP maximum is established at an affordable level, especially recognizing that the median annual income for Medicare beneficiaries is \$26,600.⁴ The Lung Association also encourages the Committees to explore ways to distribute OOP costs more evenly over the year. Some beneficiaries who rely on multiple expensive medications would reach an annual cap quickly, creating a high financial burden in the first few months of the year. We encourage the Committees to work with stakeholders, include patient groups, to explore additional changes to the legislation that could address this issue.

Finally, the Lung Association encourages the Committees to require the Secretary to monitor the impact of the changes in this legislation on beneficiaries' access to care. The Secretary should track any changes to premiums in the Part D program. Additionally, rigorous formulary reviews must be conducted to ensure that plans do not discriminate against patients with lung diseases or other high-cost health

conditions by increasing cost-sharing or by adding barriers to these treatments such as stepped therapy, prior authorization or other utilization management techniques.

Thank you again for the opportunity to share our comments on this draft. We look forward to working with you on this important issue for our patients and would be happy to discuss our comments with you in greater detail.

Sincerely,



Paul G. Billings
National Senior Vice President, Public Policy

¹ Medicare Payment Advisory Commission (MedPAC). Report to Congress: Medicare Payment Policy, Chapter 14: The Medicare Prescription Drug Program (Part D): Status Report. March 2019. Accessed at: http://www.medpac.gov/docs/default-source/reports/mar19_medpac_ch14_sec.pdf?sfvrsn=0.

² Cubanski J, Koma W, & Neuman T. The Out-of-Pocket Cost Burden for Specialty Drugs in Medicare Part D in 2019. Kaiser Family Foundation. Feb 1, 2019. Accessed at: <https://www.kff.org/report-section/the-out-of-pocket-cost-burden-for-specialty-drugs-in-medicare-part-d-in-2019-findings/>

³ Doshi, J. A., Li, P., Huo, H., Pettit, A.R., & Armstrong, K.A. (2018). Association of Patient Out-of-Pocket Costs With Prescription Abandonment and Delay in Fills of Novel Oral Anticancer Agents. *Journal of Clinical Oncology*, 36(5), 476-482. doi:10.1200/jco.2017.74.5091

⁴ Kaiser Family Foundation. An Overview of Medicare. Feb 13, 2019. Accessed at: <https://www.kff.org/medicare/issue-brief/an-overview-of-medicare/>,