Sign On Letter:
Cost Sharing, Access & PBM Reforms – Letter of Support for Year-End Package

Senator Chuck Schumer
322 Hart Senate Office Building
Washington, DC 20510-3202

Representative Mike Johnson
568 Cannon House Office Building
Washington, DC 20515-1804

Senator Mitch McConnell
317 Russell Senate Office Building
Washington, DC 20510

Representative Hakeen Jeffries
2433 Rayburn House Office Building
Washington, DC 20515-3208

December 4, 2024

Dear Senator Schumer, Senator McConnell, Speaker Johnson, and Minority Leader Jeffries:

The Partnership to Fight Chronic Disease joins 27 other organizations in support of including the Better Mental Health Care, Lower-Cost Drugs, and Extenders Act (S. 3430) and the Modernizing and Ensuring PBM Accountability (MEPA) Act (S. 2973) in a year-end package. These bills, both passed by the Senate Finance Committee on a bipartisan basis, offer meaningful reforms for Medicare beneficiaries, including lowering their costs for medicines and increasing transparency and accountability for pharmacy benefit managers.

Senate bill S. 3430 will lower the cost of prescription medicines for Medicare beneficiaries by ensuring negotiated savings directly reach the patient at the pharmacy counter. Lowering out-of-pocket costs improves medication adherence, enhances health outcomes, and avoids costly complications. Almost nine out of ten adults aged 65 and older take at least one prescription medicine a month, and more than half take four or more medicines a month. Out-of-pocket costs add up quickly and create barriers to refilling and taking medicines as prescribed. Optimizing the value of medicines that treat chronic illnesses is critical to lowering the burden of these diseases for people affected and the Medicare program overall.

Often, Medicare beneficiaries are charged coinsurance based on the list price of a medicine rather than a percentage of the discounted net price the plan pays. As the Government Accountability Office has noted, "rebates do not lower individual beneficiary payments for drugs, as these are based on the gross cost of the drug before accounting for rebates." In fact, the GAO found that after rebates, Medicare beneficiaries paid more than the Part D plans did for 79 of the top 100 most-rebated drugs in Medicare. Overall, beneficiaries spent $21 billion on those medicines while the plans and PBMs spent $5.3 billion after rebates. Senate bill 3430 directly remedies this disconnect by requiring that the beneficiary cost-sharing not exceed the medicine's net price and that cost sharing for some chronic care drugs be based on the net price of the drug. That will significantly reduce beneficiary costs at the pharmacy counter.

Shortages of mental and behavioral professionals have made accessing needed care increasingly difficult. S. 3430 also addresses these challenges to access by increasing Medicare reimbursement in shortage areas and by requiring new Medicaid guidance to facilitate increase behavioral health access capacity. Reforms also encourage greater integration of primary care with behavioral health to provide a whole health approach to improve outcomes. These policy changes are important steps to improving access and meeting the growing needs for these services.

Just three PBMs manage about 80 percent of the prescription drug claims covering 270 million people in the U.S. That affords them tremendous power to affect beneficiary access and cost-sharing, pharmacy

reimbursement, and drug reimbursement and pricing. Both the Federal Trade Commission and the Government Accountability Office have noted how PBM reimbursement based on the list prices of medicines and rebates creates incentives to favor higher-cost, higher-rebated drugs which puts upward pressure on drug prices.

Senate bill S. 2973 addresses this issue by delinking PBM reimbursement from the list prices of drugs reimbursed under Medicare Part D. Instead, the bill would establish PBM compensation in Medicare in the form of a flat service fee. S. 2973 would also require greater PBM transparency and accountability. We commend these bipartisan efforts to address the role of PBMs in driving drug prices, limiting pharmacy choice, and increasing costs. These commonsense reforms will lower costs both for Medicare beneficiaries at the pharmacy counter and for the program at large.

These are much needed bipartisan reforms to lower costs for Medicare beneficiaries and the program, improve access to care, and increase transparency. We commend your continued leadership on these issues and stand ready to assist in efforts to ensure that these reforms are signed into law this year.

Sincerely,
Ai Arthritis
Aimed Alliance
Alliance for Aging Research
Alliance for Transparent and Affordable Prescriptions
Autoimmune Association
CancerCare
Caregiver Action Network
Caring Ambassadors Program
Chronic Care Policy Alliance
Coalition of State Rheumatology Organizations
Direct Primary Care Coalition
Foundation for Sarcoidosis Research
Global Liver Institute
HIV+Hepatitis Policy Institute
Infusion Access Foundation
Let My Doctors Decide
Longevity Science Foundation
National Consumers League
National Hispanic Council on Aging
National Infusion Center Association
Nevada Chronic Care Collaborative
NTM Info & Research, Inc.
Partnership to Advance Cardiovascular Health
Partnership to Fight Chronic Disease
Patients Rising
Rural Minds
Sepsis Alliance
Sjogren's Foundation