



PATIENTS FOR AFFORDABLE DRUGS NOW™



September 6, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
S-230, U.S. Capitol
Washington, D.C. 20510

The Honorable Charles Schumer
Minority Leader
United States Senate
S-221, U.S. Capitol
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232, U.S. Capitol
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
H-204, U.S. Capitol
Washington, D.C. 20515

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

As organizations who represent the interests of tens of millions of Medicare beneficiaries, we are writing to express our strong support for maintaining the Medicare Part D donut hole provisions that were included in the recently enacted Bipartisan Budget Act of 2018. These critical reforms will help to reduce out-of-pocket costs for beneficiaries, especially those who face the highest prescription drug costs.

As the prices of prescription drugs continues to rise, access to affordable prescription drugs is a top priority for millions of patients. In 2015, the average price of brand-name drugs widely used by older Americans increased by 15.5%.¹ Further, the average annual cost for a brand-name drug used on a chronic basis was more than \$5,800, almost \$1,000 higher than the average annual cost just one year earlier. These costs are especially burdensome for older Americans, as the average Part D enrollee takes 4.5 medications each month. In fact, in 2015, Part D beneficiaries spent nearly \$27 billion in out-of-pocket costs for the prescription drugs they need.² We support reforms

¹ <https://www.aarp.org/content/dam/aarp/ppi/2016-12/trends-in-retail-prices-dec-2016.pdf>

² http://www.medpac.gov/docs/default-source/reports/mar17_medpac_ch14.pdf

that will lower drug prices and provide relief to older Americans struggling to afford needed medications.

That is why we urge you to retain the important Part D donut hole reforms that were included in the Bipartisan Budget Act of 2018. This includes closing the donut hole one year earlier and requiring higher manufacturer discounts on brand name prescription drugs for beneficiaries who are in the coverage gap. The higher discounts will enable beneficiaries with high drug costs to move more quickly through the donut hole and into catastrophic coverage, where their out-of-pocket costs are substantially lower. Any efforts to roll back this progress would only serve to increase out-of-pocket costs for beneficiaries.

We are acutely aware of the difficult decisions facing older Americans who struggle to afford the drugs they need. As drug prices continue to increase, it is imperative that we keep in place policies that will help to lower drug costs for beneficiaries and make it easier for them to access the medications they rely on. We urge you to stand with beneficiaries and resist any attempt to undo these important reforms.

Sincerely,

AARP
Alliance for Retired Americans
Center for Medicare Advocacy
Justice in Aging
Medicare Rights Center
Patients for Affordable Drugs Now