

To Democratic Subscribers

Fight PhRMA's Campaign to Raise Drug Prices for Seniors

Sending Office: Committee on Oversight and Government Reform - Minority Staff
Sent By: Lucinda.Lessley@mail.house.gov

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Dear Colleague:

We are writing to urge you to join us in opposing a recent campaign by drug companies to roll back protections in the Bipartisan Budget Act of 2018 to lower the costs of prescription drugs for our nation's seniors.

The pharmaceutical industry has begun mobilizing to repeal a provision that is scheduled to take effect in three months requiring drug companies to provide Medicare beneficiaries with a higher discount—70% instead of the current 50%—on brand-name prescription drugs while they are in what is known as the “donut hole.”

When seniors are in the donut hole, they are required to pay an increased share of the costs of their drugs under Medicare Part D until they reach a threshold of \$5,000, after which their share is lowered significantly. Of the nearly 11 million Medicare Part D beneficiaries who enter the donut hole each year, only 3 million reach the \$5,000 threshold. In 2015, Medicare beneficiaries spent nearly [\\$27 billion](#) in out-of-pocket costs for drugs.[1]

When Congress passed the Bipartisan Budget Act, it required drug companies—starting next year—to increase discounts for seniors in the donut hole and lower their out-of-pocket expenses. Medicare beneficiaries will save an estimated [\\$1.3 billion](#) in 2019 alone because of these changes.[2] Taxpayers will save nearly [\\$12 billion](#) over the next decade, according to the Congressional Budget Office.[3]

However, the pharmaceutical industry has now launched an all-out

attack on these protections, including an ad campaign and a visit to Capitol Hill by PhRMA CEO Stephen Uhl. Rolling back these provisions is reportedly one of the drug lobby's top priorities, and changes that do so may be [included](#) in upcoming opioid legislation that will be considered by the House of Representatives.[4]

Drug companies are continuing to increase their prices exponentially—as well as their profits—while threatening to reverse crucial progress for Medicare beneficiaries. We urge you to join us in opposing these efforts by the drug industry to harm our nation's seniors. If you have any questions, please contact Alexandra Golden (Cummings), Patrick Satalin (Welch), or Afton Cissell (Doggett).

Sincerely,

Elijah E. Cummings
Ranking Member
Committee on Oversight & Government Reform
Energy and Commerce

Peter Welch
Member
Committee on

Lloyd Doggett
Ranking Member
Subcommittee on Tax Policy
Committee on Ways and Means

[1] Medicare Payment Advisory Commission, *Chapter 14: Status Report on the Medicare Prescription Drug Program (Part D)* (Mar. 2017) (online at http://www.medpac.gov/docs/default-source/reports/mar17_medpac_ch14.pdf).

[2] Milliman, *How Will the Bipartisan Budget Act of 2018 Impact Part D in 2019 And Beyond?*(Feb. 2018) (online at www.milliman.com/uploadedFiles/insight/2018/budget-act-2018-part-d-impact.pdf).

[3] Letter from Keith Hall, Director, Congressional Budget Office to Congressman Mark Meadows (July 20, 2018) (online at www.cbo.gov/system/files?file=2018-07/54192-PartD-letter.pdf).

[4] *Drug Industry Lobbying for a Big Medicare Break in Opioids Bill*, Axios (Sept. 20, 2018) (online at www.axios.com/drug-costs-pharma-medicare-lobbying-opioids-04a3dc8c-cdeb-4358-821b-991112ad8cd2.html).