



October 29, 2019

The Honorable Nancy Pelosi
Speaker, House of Representatives
U.S. Capitol Building
Washington, DC 20004

Dear Speaker Pelosi,

On behalf of the millions of Medicare enrollees we represent, we thank you for your leadership in advancing solutions to lower out-of-pocket costs for patients on Medicare, and we urge you to ensure a ‘smoothing’ benefit within a Medicare Part D patient out-of-pocket cap is maintained and strengthened as H.R. 3 progresses to the House floor. Millions of Medicare enrollees rely on one or more specialty drugs as the standard of care in treating deadly or debilitating conditions, and these patients need reforms aimed specifically at lowering the extraordinary out-of-pocket costs they face in Medicare Part D. Many Medicare patients are unable to afford essential, life-saving therapies due to extreme cost-sharing required at the pharmacy counter for a single prescription fill or in a series of fills over a short period of time.

Establishing an out-of-pocket cap would make significant progress in addressing the burdensome out-of-pocket costs facing Medicare enrollees who rely on a costly drug covered by their Part D plan. At this time, more than one million patients pay annual out-of-pocket costs so burdensome that they pass the Part D program’s catastrophic threshold—up from 380,000 patients in 2010.ⁱ For many of these patients, their Part D plans require \$10,000 or more annually in out-of-pocket costs to access a single drug.ⁱⁱ H.R. 3 would cap cost-sharing in Part D at \$2,000 in any one plan year, starting in 2022. As a result of this out-of-pocket cap, enrollees who rely on costly specialty drugs in Part D would see immediate and dramatic reductions to their out-of-pocket costs.

As we conveyed to House Energy & Commerce and Ways & Means leaders earlier this year, although an annual cap on out-of-pocket costs is an essential reform for beneficiaries, a growing number of individuals may not benefit from an annual cap without a provision to address the burdensome upfront costs required under Medicare Part D. Every year, hundreds of thousands of enrollees across the country abandon their prescriptions at the pharmacy counter due to cost—a fact that should come as no surprise given that patients in Part D are often required to pay thousands of dollars to fill even a single

prescription. In fact, 45 percent of beneficiaries who entered the catastrophic benefit in 2017 had cost-sharing over \$1,000 in one month and nearly 20 percent faced costs of over \$2,500 in one month.ⁱⁱⁱ

We know patients often abandon their treatment when they're faced with burdensome costs. One study of cancer patients on Part D showed that 45% of patients abandon their therapy when they encounter high out-of-pocket costs.^{iv} Another study found that Medicare patients across a series of disease diagnoses in 2018 were seven times more likely to abandon their first prescription at the pharmacy counter when facing high out-of-pocket costs.^v It is clear that many Medicare enrollees with a chronic and life-threatening disease may never benefit from an annual out-of-pocket cap unless it includes a provision that breaks down the financial barrier to filling their first prescription by 'smoothing' their upfront out-of-pocket costs into predictable, more affordable payments spread throughout the plan year.

We were encouraged by the bipartisan support for an out-of-pocket cap with a smoothing policy demonstrated during committee consideration of H.R. 3. In fact, these policies were incorporated into the H.R. 3 texts put forward by Chairmen Pallone and Neal, as well as the alternative proposals put forward by Ranking Members Walden and Brady. This bipartisan endorsement shows the broad support for capping annual out-of-pocket costs while also addressing extraordinary upfront costs.

We urge you to leverage the bipartisan momentum in support of these policies, and we welcome the opportunity to partner with you to maximize their impact for patients on Medicare. If you have any questions or need any additional information, please contact Brian Connell with The Leukemia & Lymphoma Society at brian.connell@lls.org. We are confident that Congress can work together to break down the barriers between Medicare patients and their treatment. We look forward to working with you to ensure we fulfill the promise of Medicare by making vital treatments truly affordable for Americans on Medicare.

Sincerely,

The AIDS Institute
Alliance for Aging Research
American Cancer Society Cancer Action Network
American Diabetes Association
American Lung Association
Arthritis Foundation
International Myeloma Foundation

The Leukemia & Lymphoma Society
Lupus Foundation of America
National Health Council
National Multiple Sclerosis Society
National Psoriasis Foundation
Ovarian Cancer Research Alliance
Susan G. Komen

ⁱ Cubanski et al (2019). How Many Medicare Part D Enrollees Had High Out-of-Pocket Drug Costs in 2017? The Kaiser Family Foundation. Figure 1. [Hyperlink](#).

ⁱⁱ Cubanski et al (2019). The Out-of-Pocket Cost Burden for Specialty Drugs in Medicare Part D in 2019. The Kaiser Family Foundation. Figure 1. [Hyperlink](#).

ⁱⁱⁱ Avalere (2019). Out-of-Pocket Costs Among Medicare Part D Enrollees Reaching the Catastrophic Threshold. [Hyperlink](#).

^{iv} Doshi et al (2018). Association of patient out-of-pocket costs with prescription abandonment and delay in fills of novel oral anticancer agents. *Journal of Clinical Oncology*. [Hyperlink](#).

^v IQVIA (2019). Medicine Use and Spending in the U.S.: A Review of 2018 and Outlook to 2023. Exhibit 22. [Hyperlink](#).