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May 24, 2021

The Honorable Nancy Pelosi
Speaker of the House
United States House of Representatives
H-222 The Capitol
Washington, DC 20515

The Honorable Chuck Schumer
Majority Leader
United State Senate
S-221 The Capitol
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
United States House of Representatives
H-204 The Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
United States Senate
S-230 The Capitol
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Minority Leader McCarthy:

The Alliance for Aging Research (Alliance), www.agingresearch.org, is the leading nonprofit organization dedicated to accelerating the pace of scientific discoveries and their application to vastly improve the universal experience of aging and health. The Alliance is proud to be the convening organization for the [Project Lower Out-of-Pocket \(LOOP\) campaign](#), which advocates for policies that will improve Medicare Part D prescription drug affordability for older adults and people with disabilities. We very much appreciate your leadership in seeking to address the rising cost of healthcare for America's older adults, especially concerning Medicare beneficiaries' high out-of-pocket (OOP) costs for prescription drugs.

We have long-standing concerns that too many Medicare beneficiaries are unable to afford their out-of-pocket costs associated with prescription drugs, in addition to other everyday expenses. In fact, a recent Morning Consult survey found that [75 percent of older adults](#) on Medicare reported they could not afford to pay more than \$200 for prescription medication each month and about one in three reduced other types of spending to afford their drugs. As you embark on the critical work of marking up and moving legislation to reduce OOP costs for prescription drugs, we respectfully urge your consideration of our priorities and

recommendations, and we stand ready to be a resource to you and your colleagues throughout the legislative process. Specifically, we ask your active support for:

- Capping out-of-pocket costs under Medicare Part D at a level that delivers meaningful relief for beneficiaries living on fixed or limited incomes.¹ The Morning Consult survey reported that most [beneficiaries can only afford up to \\$200/month](#), or the equivalent of \$2,400 annually. While all proposals under current consideration include an annual OOP cap, patients would derive greater benefit from a consistent, monthly cap on Part D OOP expenses;
- Any proposal that adopts an annual – rather than a monthly – OOP cap in Medicare Part D should be paired with a "smoothing mechanism." Smoothing would allow beneficiaries the option to evenly spread out costs over a plan year, thereby avoiding large lump sum OOP expenses. This flexibility should be available at any time during the benefit year, regardless of a beneficiary's level of OOP spending;
- Expanding eligibility for the Part D Extra Help Low-Income Subsidy (LIS) program;
- Requiring prescription drug manufacturers to pay a penalty to Medicare on sales to Part B or Part D beneficiaries when a drug's list price increases faster than inflation;
- A requirement that Part D plans share a portion of rebates with beneficiaries at the point of sale to lessen cost burden for medications and promote adherence;
- Strengthening the Part D appeals process and other patient protections, so beneficiary access is maintained; and
- Expanding Medicare coverage to include dental, vision, and hearing services.

Moreover, to ensure older Americans and people with disabilities served by the Medicare program have access to the prescription therapies their healthcare providers deem are necessary for their health and well-being, we urge you to:

- Discard the international reference pricing construct and reject the use of Quality-Adjusted-Life-Year (QALY). International reference pricing effectively endorses the use of cost-effectiveness standards that are tied to QALYs. The methodology of QALYs includes [a core methodological bias](#) that inadvertently leads to discrimination and rationing when used to assess treatments focused on [older adults](#), [individuals with disabilities](#), and [communities of color](#);
- Decline consideration of assessments by the Institute for Clinical and Economic Review (ICER), which rely on QALYs and related thresholds to make [value judgments on drugs and other clinical options](#) and have numerous other flaws; and
- Oppose utilization of step therapy, which creates significant barriers for patients who need access to therapies prescribed by their healthcare providers.

¹ A 2019 Alliance for Aging Research [survey](#) showed that a majority of older adults would be willing to pay a few more dollars per month in Medicare premium cost in order to institute an OOP maximum for prescription drugs.

As you know, older adults face substantial out-of-pocket healthcare costs each year for insurance premiums, deductibles, and cost-sharing; physician and clinic visits and hospital stays; and other essential healthcare procedures and medical devices. Beneficiaries often must also pay for care not covered by fee-for-service Medicare, including vision, dental, and hearing-related services. The totality of these out-of-pocket costs can be insurmountable for older adults who often have multiple chronic conditions or whose condition requires specialty medications. We as a nation must take action to help reduce the out-of-pocket cost of care and prescription drugs for older adults and people with disabilities.

Thank you for your continued efforts to lower out-of-pocket costs for prescription drugs for Medicare beneficiaries. We offer our organization as a partner and a resource in the critical work that lies ahead. If you have questions or if we can be of assistance, please do not hesitate to contact me (speschin@agingresearch.org) or Michael Ward, Vice President of Public Policy (mward@agingresearch.org).

Sincerely,



Susan Peschin, MHS
President and CEO



Michael Ward, MS
Vice President of Public Policy

cc: The Honorable Patty Murray, Chairwoman, *Senate Health, Education, Labor and Pensions Committee*
The Honorable Ron Wyden, Chairman, *Senate Finance Committee*
The Honorable Richard Burr, Ranking Member, *Senate Health, Education, Labor and Pensions Committee*
The Honorable Mike Crapo, Ranking Member, *Senate Finance Committee*
The Honorable Richard Neal, Chairman, *House Committee on Ways and Means*
The Honorable Frank Pallone, Chairman, *House Committee on Energy and Commerce*
The Honorable Bobby Scott, Chairman, *House Committee on Education and Labor*
The Honorable Kevin Brady, Ranking Member, *House Committee on Ways and Means*
The Honorable Cathy McMorris Rodgers, Ranking Member, *House Committee on Energy and Commerce*
The Honorable Virginia Foxx, Ranking Member, *House Committee on Education and Labor*