September 10, 2019

The Honorable Bill Cassidy
520 Hart Senate Office Building
United States Senate
Washington, DC 20510

The Honorable Bob Menendez
528 Hart Senate Office Building
United States Senate
Washington, DC 20510

Dear Senator Cassidy and Senator Menendez,

The undersigned organizations write to express our sincere appreciation for your plan to introduce legislation to implement a so-called “smoothing” mechanism into the Medicare Part D benefit design. Such a mechanism will improve the affordability of prescription medications throughout a benefit year for a significant subset of Part D enrollees.

As you understand, the Medicare Part D standard benefit design places a significant financial burden on enrollees who are ineligible for the program’s low-income subsidy and cannot otherwise afford to pay all at once the out-of-pocket costs associated with their prescription drugs. Some of these patients have prescription drug costs that push them into the catastrophic phase of their Part D coverage in the first few months of the year. Consequently, they must pay for the cost-sharing requirements of each benefit phase of Part D in a short amount of time. Not only does this benefit design put a financial strain on patients and their families, but far too often, patients with these high upfront costs elect to forego their prescribed medication because they are unable to pay a cost-sharing bill in the thousands of dollars.

We greatly appreciate your recognition of the seriousness of this problem by planning to introduce legislation that would require Medicare Part D beneficiaries be offered a monthly payment option and implement an annual cap on out-of-pocket expenses for all Part D beneficiaries. By allowing enrollees with high out-of-pocket costs to pay for their cost-sharing requirements in installments rather than all at once, you are helping patients be better able to budget and pay for the medications they need. This mechanism will be particularly helpful for patients living with cancer, autoimmune diseases, hepatitis C, arthritis, emphysema, and many diseases and conditions that require ongoing and often expensive prescription drug regimens.

In addition, we are supportive of the proposed annual cap on beneficiaries’ out-of-pocket costs in the Prescription Drug Pricing Reform Act of 2019. While an annual cap will make prescription drugs more affordable for many people with chronic conditions, it does not fully resolve the issue of people struggling to afford high-upfront prescription drugs costs early in the benefit year. An annual cap combined with your smoothing legislation will be more effective at increasing access to medication and long-term adherence to treatments than an annual cap without a smoothing component.

Thank you again for your leadership to make prescription medications more affordable to patients and their families. We look forward to working with you and your staff on this important issue.

Sincerely,

Alliance for Aging Research
American Autoimmune Related Diseases Association
American Kidney Fund
American Society of Consultant Pharmacists
Association of Community Cancer Centers (ACCC)
International Myeloma Foundation
Leukemia & Lymphoma Society
Lungevity
Lupus and Allied Diseases Association, Inc
Lupus Foundation of America
National Alliance on Mental Illness (NAMI)
National Health Council
National Organization for Rare Disorders
National Osteoporosis Foundation
National Patient Advocate Foundation
National Psoriasis Foundation
Partnership to Fight Chronic Disease
Patient Access Network (PAN)
RetireSafe
The AIDS Institute
The Michael J. Fox Foundation for Parkinson’s Research