



**STATEMENT FOR THE RECORD**  
**Submitted to**  
**Senate Special Committee on Aging**  
**Following Committee Hearing on Medicare Part D Drug Benefit**  
**March 24, 2010**

MAPRx brings together beneficiary, family caregiver and health professional organizations committed to improving access to prescription medications and safeguarding the well-being of beneficiaries with chronic diseases and disabilities who are enrolled in the Medicare Prescription Drug Coverage (Part D). On behalf of millions of Medicare beneficiaries with chronic conditions who rely on Part D for essential medications, MAPRx thanks the Senate Special Committee on Aging for holding its recent hearing to address drug costs within Part D.

Although the hearing provided an excellent opportunity to learn more about rising costs and the process by which plans determine the final price of drugs, we had hoped that the hearing would also shed light upon the other policies and benefit designs which inhibit beneficiary adherence to their doctor's prescribed drug regimen.

We are grateful that the Patient Protection and Access to Affordable Care Act sets forth a plan and timeline to eliminate the Part D coverage gap and provides an immediate \$250 rebate to beneficiaries who will hit the "donut hole" this year. Nevertheless, MAPRx remains concerned about the increasing burden cost-sharing is having upon beneficiaries and their health. While the issue of cost-sharing for medications on the specialty tiers has received a great deal of attention, this is a problem facing all beneficiaries for treatments on all plan formulary tiers. The increasingly common mix of copayments and coinsurance is particularly noteworthy in this respect as coinsurance generally places more of the cost on consumers.

We urge Congress to ensure that the Centers for Medicare and Medicaid Services (CMS) truly analyzes beneficiary adherence behavior and conducts vigilant oversight of plan designs. Specifically, we request that Congress work with CMS to address:

- Raising the price threshold for specialty tier medications;
- Creating an appeals process for medications placed on specialty tiers; and
- Directing Medicare Payment Advisory Commission (MedPAC) to review prescription drug plan policies to make sure they do not violate nondiscrimination rules and study the impact cost-sharing is having upon beneficiaries' health.

## **Price Threshold for Specialty Tier Medications**

For CY 2011, CMS will maintain the \$600 threshold for drugs placed on the specialty tier in Part D plans. This will be the fourth year that the amount remains at \$600. Because of plan provisions unique to the specialty tier, the threshold for drug inclusion is of vital concern to MAPRx and the communities it represents. Beneficiaries have no medication alternatives for therapies included on the specialty tier and there is no appeals process by which beneficiaries can request that a specialty tier drug be placed on a lower cost-sharing tier.

MAPRx has strong concerns about the continuation of this threshold. We have requested greater clarity from CMS on the rationale for utilizing \$600 as the baseline figure for inclusion on specialty tiers. Furthermore, MAPRx questions why the threshold has not increased over the past three years—even as drug prices rise. Many innovative therapies for the hardest to treat conditions are currently in development and likely to end up on the specialty tier if the threshold remains unchanged. Retaining the \$600 threshold fails to recognize this fact and has the effect of increasing the number of medications eligible for inclusion on specialty tiers. Ultimately, this will impact beneficiaries by placing a greater financial burden on those who find their medications are priced beyond the threshold. This would be particularly true for those taking a prescription that is reclassified from a lower tier to the specialty tier due to price increases.

The recent Government Accountability Office report *Medicare Part D: Spending, Beneficiary Cost Sharing and Cost-Containment Efforts for High-Cost Drugs Eligible for a Specialty Tier*, which was referenced in the Aging Committee's hearing, found that in 2007, \$1100 per month was the utilization-weighted average of the median negotiated price of all specialty tier drugs.

For these reasons, MAPRx believes an increase is merited in the cost threshold for inclusion on the specialty tier for CY 2011 and we urge the Committee to address this issue with CMS.

## **Create an Appeals Process for Specialty Tier Medications**

Individuals living with cancer, multiple sclerosis, arthritis and other conditions often take several medications and must pay thousands of dollars out-of-pocket before reaching catastrophic coverage.

MAPRx is grateful to Senators John Rockefeller and Al Franken for, respectively, introducing and cosponsoring the Affordable Access to Prescription Medications Act of 2009, which seeks to protect all Americans from high out-of-pocket spending on prescription drugs and calls for the creation of an appeals process for specialty drugs in the Part D program. Currently, beneficiaries under a Part D plan or a Medicare Advantage plan cannot request an exemption to allow them access to these drugs by moving the drug to a lower tier on the plan formulary. We hope that Congress will work with CMS to resolve this disparity that is certain to impact more and more beneficiaries as additional specialty drugs are being developed to treat serious chronic conditions.

## Study Impact of Excessive Cost-Sharing

We know from our collective work with people with chronic conditions and disabilities that many are struggling to afford increases in copays and coinsurance in order to effectively manage their health. Oftentimes, beneficiaries are making trade-offs between treating one condition over another, undermining their health. Ultimately such compromises in treatment can lead to more catastrophic events, resulting in hospitalizations that cost more to Medicare overall. We encourage the Committee to examine the health outcomes of Medicare beneficiaries and the cost implications across all Medicare programs.

Furthermore, we are concerned that plans are using excessive coinsurance rates to avoid attracting beneficiaries to their plans. The Medicare Modernization Act directs CMS to review tier placement to provide an assurance that the formulary does not discourage enrollment of certain beneficiaries. As called for in Senator Rockefeller's legislation, we urge the Committee to request that the MedPAC review prescription drug policies under Medicare Parts B, C and D to ensure compliance with nondiscrimination rules overall and to make recommendations for benefit design modifications that would alleviate the financial burden placed on beneficiaries, many of whom are on limited incomes and can least afford expensive drug treatments.

In closing, MAPRx thanks the Committee for its diligence and commitment to improving the Part D drug benefit for beneficiaries. We hope the Committee will consider our recommendations and call upon our member organizations as resources and willing partners to safeguard the well-being of beneficiaries with chronic diseases and disabilities. For questions related to MAPRx or the above statement, please contact Mary Beth Buchholz, Convener, MAPRx Coalition, at (202)-637-9732 ext 229 or [Marybeth@maprxinfo.org](mailto:Marybeth@maprxinfo.org).

Sincerely,

AIDS Action Council

National Council for Behavioral Healthcare

Alzheimer's Association

National Council on Aging

Arthritis Foundation

National Grange of the Order of Patrons of Husbandry

Breast Cancer Network of Strength

National Health Council

Easter Seals

National Kidney Foundation

Epilepsy Foundation

National Multiple Sclerosis Society

Men's Health Network

National Organization for Rare Disorders (NORD)

National Alliance on Mental Illness (NAMI)

(continued on page 4)

National Osteoporosis Foundation

The AIDS Institute

The ALS Association

The Lupus Foundation of America

RetireSafe

National Psoriasis Foundation

United Spinal Association