

September 28, 2023

Honorable Xavier Becerra  
Department of Health and Human Services  
200 Independence Ave SW  
Washington, DC 20201

Dear Secretary Becerra,

The newly created Medicare drug negotiation program is poised to finally address the high and rising cost of prescription drug, so it is not surprising that it is overwhelmingly popular – with two in three Americans supporting Medicare’s authority to negotiate drug prices charged by big drug companies.<sup>1</sup> As stakeholders working to advance health coverage, affordability, and equitable access for all people, we are grateful for the important work Health and Human Services (HHS) and Centers for Medicare and Medicaid Services (CMS) have been doing to make these reforms a reality for the millions who rely on Medicare.

Strong implementation of the law will be a lifeline for older adults who rely on Medicare for their life-saving medications. Too many older adults are skipping doses of their prescriptions because they can’t afford them after paying rent, buying groceries, and putting gas in their cars. Some even worry that they can’t afford to retire due to the cost of their medications. No one should be forced to choose between their health and financial security, and the Medicare drug negotiation program – if implemented fully— would help prevent those kinds of impossible choices.

We strongly support the work being done by the administration to ensure quick and effective progress for the negotiation program, even in the face of legal challenges brought on by the Chamber of Commerce and big drug companies, who are trying to take away important progress to achieving more affordable access to lifesaving prescriptions. Going forward, we urge CMS to continue the important work of implementing this law, and not to let big drug companies undermine this hard-fought win for older adults and people with disabilities.

### **Medicare Negotiation Program is Critical to Affordable and High-Quality Health and Health Care**

The ability to negotiate the prices of drugs in Medicare, as written in the law and being implemented by HHS, is key to ensuring more affordable drug costs for the millions of older adults and people with disabilities that rely on Medicare to access their drugs. In CMS’ final guidance about the negotiation program, the agency specifically outlined that the negotiated price would be used to determine how much someone in Medicare would pay at the pharmacy counter – likely reducing costs from what they pay now.

Medicare itself will be saving on the cost of the drug after negotiation – with the Congressional Budget Office estimating that Medicare will save \$25 billion annually by 2031. Portions of those savings are

helping to ensure access to new reforms, such as free vaccines for shingles, covered insulin prescriptions capped at \$35 per month, and a total out of pocket cap of \$2,000 a year. These predicted savings and protecting these lower costs for those that rely on Medicare will only be possible when the drug negotiation program is implemented fully and as intended.

### **Legal Threats Attempt to Protect Price Gouging Over People**

While HHS has done important work to ensure that the provisions of the Inflation Reduction Act go into effect quickly and provide needed relief from high and rising drug costs in Medicare, many big drug companies have sought to stop this important progress. Big drug companies have decided to use legal challenges to stop the real improvements to drug affordability the Medicare negotiation program can provide, rather than charge fair prices for prescriptions.

Contrary to what pharmaceutical companies would have us all believe, the negotiation program should have little to no impact on the creation of new drugs, given that such a small percentage of their profits are invested in new research.<sup>23</sup> Additionally, claims made that drug manufacturers are being forced to participate in the negotiation program or that profits are being unfairly “taken” should not hold merit. The reality is, for too long, companies’ bottom lines have benefited tremendously by price-gouging in Medicare, as their efforts have been designed to protect their ability to maximize profits at the expense of the millions of older adults and people with disabilities who rely on Medicare. Now that this important law has been written to rein in these out-of-control prices, we stand with CMS and HHS as you continue to implement this program and fend off drug companies’ disingenuous threats.

### **Conclusion**

Fully and quickly implementing the Medicare negotiation program is critical to making drug prices affordable for millions of people in America. We support HHS in its efforts to ensure that it is implemented as intended and to reach the lowest possible price, as the law instructs.

The undersigned organizations would like to thank you, Secretary Becerra, and your staff for your work to ensure that the Medicare negotiation program is implemented quickly and will deliver the savings beneficiaries urgently need. This program will ensure that millions of older adults and people with disabilities can finally be one step closer to accessible and affordable health and wellbeing.

Sincerely,  
Families USA  
Center for Medicare Advocacy  
Public Citizen

AAPI Equity Alliance  
AARP  
ACA Consumer Advocacy

AFL-CIO  
AIDS Foundation Chicago  
American Federation of State, County and Municipal Employees  
American Federation of Teachers  
American Muslim Health Professionals  
Asian Law Alliance  
Asian Resources, Inc  
Be a Hero  
Beta Cell Action  
Center for Elder Law & Justice  
Center for Independence of the Disabled NY (CIDNY)  
Center for Popular Democracy  
Champaign County Health Care Consumers  
Citizen Action of New York  
Coalition on Human Needs  
Colorado Consumer Health Initiative  
Community Access National Network  
Community Catalyst  
Consumer Action  
Democratic Disability Caucus of Florida  
Doctors for America  
Economic Opportunity Institute  
Equality California  
Foundation for Integrative AIDS Research (FIAR)  
Health & Medicine Policy Research Group  
Health Access California  
Health Action New Mexico  
Health Care Awareness Month  
Health Care for All - Washington  
Health Care for America Now (HCAN)  
Health Care Voices  
Health Equity Solutions  
High Note Consulting, LLC  
Independent Healthcare Advocate  
Indivisible Chicago Alliance  
Interfaith Center on Corporate Responsibility (ICCR)  
International Association of Fire Fighters  
Justice in Aging  
Korean Community Center of the East Bay  
Labor Campaign for Single Payer  
Legal Aid Center of Southern Nevada  
Lighthouse Community Development Corporation

Lupus and Allied Diseases Association, Inc.  
Maine Equal Justice  
Maine Primary Care Association  
Maryland Health Care for All Coalition  
Maternal and Child Health Access  
Medicare Rights Center  
Metro New York Health Care for All  
MomsRising  
National Association of Social Workers (NASW)  
National Committee to Preserve Social Security and Medicare  
National Disability Rights Network (NDRN)  
National Education Association  
National Health Law Program  
National Indian Council on Aging  
New Jersey Citizen Action  
Northwest Health Law Advocates  
NY Statewide Senior Action Council  
New York Association of Psychiatric Rehabilitation Services, Inc.  
NYS Alliance For Retired Americans  
Oregonizers  
Patients for Affordable Drugs Now  
Pennsylvania Health Access Network  
Personal Disability Consulting, Inc.  
Physicians for a National Health Program - NY Metro Chapter  
Positive Women's Network-USA  
Salud y Farmacos  
Service Employees International Union  
Silver State Equality-Nevada  
Sisters of St. Francis of Philadelphia  
Small Business Majority  
South Asian Network  
South Carolina Appleseed Legal Justice Center  
Suzy Q Corporation  
T1International, USA  
Tennessee Health Care Campaign  
Tennessee Justice Center  
Texans Care for Children  
Thai Community Development Center (Thai CDC)  
The Revolving Door Project  
U.S. PIRG  
Utah Health Policy Project  
Virginia Coalition of Latino Organizations

Voters of Tomorrow  
West Virginia Citizen Action  
Westchester for Change  
Westside Family Health Center

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<sup>1</sup> [Americans Support Raising Taxes on the Rich to Reduce the Deficit \(navigatortresearch.org\)](https://www.navigatortresearch.org)

<sup>2</sup> Kaiser Family Foundation, *Explaining the Prescription Drug Provisions in the Inflation Reduction Act*, [https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/#:~:text=CBO%20estimates%20that%20the%20drug%20pricing%20provisions%20in%20the%20Inflation,redution%20of%201%25%20\(about%201](https://www.kff.org/medicare/issue-brief/explaining-the-prescription-drug-provisions-in-the-inflation-reduction-act/#:~:text=CBO%20estimates%20that%20the%20drug%20pricing%20provisions%20in%20the%20Inflation,redution%20of%201%25%20(about%201)

<sup>3</sup> Families USA, *The Reality of Prescription Drug Innovation: Drug Manufacturers Limit Innovation to Protect Patents And Profits*, <https://familiesusa.org/resources/the-reality-of-prescription-drug-innovation-drug-manufacturers-limit-innovation-to-protect-patents-and-profits/>