

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.¹ 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.^{2,3} 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

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

² 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)

³ 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/>