

Letter to President Biden and Congressional Leadership:

Include Bold Drug Pricing Reform and Medicare Improvement and Expansion in American Families Plan

April 23, 2021

Dear President Biden, Majority Leader Schumer, and Speaker Pelosi,

The time has come to deliver for America's seniors, people with disabilities, and people approaching retirement. The undersigned organizations representing diverse interests, including consumer safety, public health, business, faith-based, racial justice, and labor organizations, are calling on the Biden Administration and Congress to include robust Medicare drug price negotiation in the American Families Plan package and to reinvest significant savings from negotiations into the Medicare program, alongside other critical investments in health equity, coverage, and affordability. By using the savings to improve dental, vision, and hearing services, capping out-of-pocket costs, lowering the Medicare eligibility age, and taking other bold steps to improve our nation's health, the Biden administration and Congress would be delivering on key promises and improving the lives of millions. The American Families Plan must center the needs and priorities of BIPOC communities and expanding Medicare would help to increase coverage and access to care for communities of color who are disproportionately uninsured or underinsured.

The United States spends far more than any other country for pharmaceuticals, and the largest purchaser in the world is the Medicare Part D program. High U.S. drug spending is driven by excessive prices charged by prescription drug corporations, which lead to treatment rationing and preventable negative health outcomes, including death. Enacting a robust system of direct government drug price negotiation and price spike protections that provides relief to patients regardless of medical condition, insurance provider, or status will save lives and prevent suffering and financial hardship for families across the nation. Advancing the strongest reform possible is not only the right thing to do in its own right, but stronger reform also has potential to provide greater savings for reinvestment. Conversely, any weakening of drug pricing reform would reduce savings. Bold drug pricing reform will support building a healthier America, as well as produce hundreds of billions of dollars in savings to reinvest in bolstering coverage.

With these significant estimated savings, upwards of \$450 billion over 10 years, it is a crucial time to address other needs of Medicare enrollees. Given the challenges seniors faced during the COVID-19 pandemic, it is time to deliver the relief they need. Coming out of the crisis, many seniors will need additional services. Adding an out-of-pocket cap for medical expenses and expanding access to dental, hearing and vision services in the American Families Plan would go a long way in improving access to needed care. CBO has already estimated that adding dental, hearing, and vision to Medicare would cost less than \$360 billion over ten years.

In addition, by expanding access to Medicare to Americans 50 and older, the Biden

administration and Congress could deliver crucial progress on expanding health care. Medicare has achieved universal coverage for Americans 65 and older, while the uninsured rate for adults 50–64 is 10.5 percent. Americans approaching retirement age have faced significant job loss as a result of the recession brought on by the pandemic and are at a particular disadvantage in states that have refused to expand Medicaid, leaving low-income Americans in those states particularly at risk of going without coverage and needed care. And given that most people experience increased medical needs as they age, lacking insurance at such a crucial time can mean financial ruin.

Far too many Americans continue to struggle to get the care and medicine they need when they need it. Establishing government drug price negotiations and price spike protections will provide countless Americans with relief and put an end to treatment rationing. Expanding Medicare to those 50 and older would mean giving the peace of mind that Medicare enrollees already have to 63 million additional Americans, while expanding it to only adults 60 and older would expand eligibility for Medicare to an additional 20 million Americans. Now is the time for action to lower drug prices and improve access to care for millions.

We thank you for your attention on this crucial issue.

Signed,

AIDS Healthcare Foundation
Allergy & Asthma Network
American Postal Workers Union, AFL-CIO
American-Arab Anti-Discrimination Committee (ADC)
Bayard Rustin Liberation Initiative
Be A Hero Action Fund
Blue Future
Business Leaders for Health Care Transformation
California Alliance for Retired Americans
Center for LGBTQ Economic Advancement & Research (CLEAR)
Center for Popular Democracy
Church World Service
Coalition on Human Needs
Congregation of Our Lady of Charity of the Good Shepherd, US Provinces
Doctors for America
Empowering Pacific Islander Communities (EPIC)
Families USA
Indivisible
International Federation of Professional and Technical Engineers (IFPTE)
Justice Democrats
Marked By COVID
MomsRising
MoveOn
NASTAD
National Advocacy Center of the Sisters of the Good Shepherd
National Equality Action Team (NEAT)
National Nurses United
National Organization for Women
National Women's Health Network

NETWORK Lobby for Catholic Social Justice
Our Revolution
Partners for Dignity & Rights
Partners In Health
People's Action
Progressive Democrats of America
Public Advocacy for Kids (PAK)
Public Citizen
R2H Action (Right to Health)
Social Security Works
Sunrise Movement
The Episcopal Church
The Latino Medical Student Association
Treatment Action Group
United Church of Christ, Justice and Witness Ministries
United Electrical, Radio & Machine Workers of America