April 24, 2019

Dear Speaker Pelosi, Chairman Pallone and Chairman Neal,

Our organizations strongly agree with the Better Deal platform’s promise to the American people to end the restriction that prohibits direct government drug price negotiations for Medicare.¹

“The Better Deal program eliminates this restriction on Medicare, and empowers the government to leverage the bargaining power of the 41 million Americans enrolled in Medicare Part D and fight for the best possible deal on drug prices.”

The Better Deal promise means:

1) Eliminating the noninterference clause that prohibits Medicare Part D from negotiating drug prices, not just modify it for some drugs.

2) Obtaining the “best possible deal” on all drugs (not only those with particularly high costs or with limited competition in therapeutic class) with powerful backstop authority such as competitive licensing, in cases where brand-name companies refuse to agree to a reasonable price. This strategy ensures prices always come down, while guaranteeing patients’ access to medicines. The backstop should be sufficiently powerful to incentivize drug companies to agree to reasonable prices and such that the expectation would be that it is rarely used. It should not delegate decisions about what constitutes reasonable pricing to third parties.

We are concerned by reports we have seen suggesting that a new government authority for Part D would only apply to a narrow class of drugs or that the leverage provided to the Secretary may be insufficient to realize the scale of savings necessary to provide Medicare beneficiaries with significant relief.

High drug prices are forcing patients to leave prescriptions unfilled, cut pills in half, and self-ration treatment.² While Medicare Part D price negotiations in isolation are not sufficient for comprehensive

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drug pricing reform, if structured well, they would be a monumental step forward and have dramatic impacts on lowering drug prices and improving access to affordable medicines.

Researchers estimated that in recent years, if through negotiations the government were able to obtain for Medicare Part D the prices achieved by the Department of Veterans Affairs for the same drugs, prices would have been 38% to 50% lower than what was paid. Any Medicare Part D negotiating reform should aim at minimum to achieve VA level savings.

We appreciate your commitment to meeting the needs of people across the country whose health and financial wellbeing are being damaged by exorbitant medicine prices, and are eager to provide any support we can in advancing drug price negotiation legislation that meets the Better Deal promise and does not cross the red lines laid out above.

Sincerely,

Public Citizen
AIDS Healthcare Foundation
American Family Voices
American Medical Student Association
American Muslim Health Professionals
Business Initiative for Health Policy
Center for Popular Democracy
Coalition to Protect Patient Choice
Community Catalyst
CREDO
Democracy for America
Doctors for America
Faith in Healthcare
Health Care for America Now
Health GAP
HousingWorks
Indivisible
Interfaith Center on Corporate Responsibility
MoveOn
People Demanding Action
People's Action
Prescription Justice
Progressive Change Campaign Committee
Progressive Democrats of America
Social Security Works
T1International
Treatment Action Group
UNITE HERE
Voices for Progress
Yale Global Health Justice Partnership

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