

Congress of the United States
Washington, DC 20515

May 9, 2016

The Honorable Andy Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Acting Administrator Slavitt:

We are writing today to express our support for the Centers for Medicare and Medicaid Services (CMS) proposed rule to test new payment models for Part B prescription drugs. It is essential to test methods to ensure that senior citizens and people with disabilities on Medicare receive the most cost-effective, appropriate drugs; and we support using authorities provided to the Center for Medicare and Medicaid Innovation (CMMI) to develop better models to meet that goal. We believe this proposal will not only help to fix the flawed status quo but will also help combat the increasingly unaffordable prices that drug companies are charging for their products.

We share our constituents' concern about the high cost of prescription drugs, and we are eager to work with you on a broad range of proposals to lower those costs in ways that do not inhibit access. Determining the best payment mechanism for Part B drugs must be part of that solution. High Part B drug costs affect individuals who face 20 percent cost-sharing requirements with no out-of-pocket limits, contribute to increases in Part B premium costs to beneficiaries and taxpayers, and can impact the long-term solvency of the Medicare Part B Trust fund. We share CMS's concern that current payment mechanisms – which peg provider payments to a percentage of the cost of the drug – could affect prescribing behavior and believe it is essential to investigate alternatives.

In addition, we do not believe that the model's proposed changes to Medicare Part B prescription drug payment will adversely impact beneficiary access to needed care or a provider's ability to make care decisions in the best interest of their patient. On the contrary, this important step will reduce the role of money in the equation, keeping the focus on the needs of the patient. Moreover, this does not limit a doctor's ability to prescribe what they believe to be the most appropriate therapy. Instead, CMS' proposal takes steps to help ensure that treatments are chosen based on how well they work and not just their price tag.

The second phase of the proposed model, which will test value-based purchasing models for Part B drug payment, also holds great promise. By adopting reforms that are currently being

explored in the private sector, these tests will drive innovation to both reduce costs and improve the quality of care, and help to strengthen and improve Medicare.

We are pleased that CMS has requested input on a number of important questions and are confident CMS will take into account the comments received from various stakeholders to ensure the final rule is as effective as possible. We understand that achieving the balance between cost and access is complicated, which is exactly why CMMI should use its authority to proceed with rigorous demonstrations that will test different approaches. Only by doing so will we be able to answer the questions that have been raised and obtain the data we need to select the best value-based payment model to meet the needs of beneficiaries and taxpayers.

Sincerely,



JANICE D. SCHAKOWSKY
Member of Congress



PETER WELCH
Member of Congress



LLOYD DOGGETT
Member of Congress



JOHN CONYERS, JR.
Member of Congress



YVETTE D. CLARKE
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