James L. Martin
Founder/Chairman

Rep. Roger Zion (R-IN, 1967-75)

Honorary Chairman

**Pat Boone** National Spokesman

February 27, 2018

The Honorable Alex Azar
HHS Secretary
The U.S. Department of Health & Human
Services
Hubert H. Humphrey Building
200 Independence Avenue, S.W.
Washington, D.C. 20201

The Honorable Seema Verma Administrator U.S. Centers for Medicare and Medicaid Services 7500 Security Boulevard, Baltimore, MD 21244

Dear Secretary Azar and Administrator Verma,

As the leading organization dedicated to enhancing the quality of life, dignity and security of America's senior citizens, the 60 Plus Association urges policymakers to oppose a <u>proposed rule</u> from the Centers for Medicare and Medicaid Services (CMS) that would directly undermine prescription drug coverage for more than 42 million seniors enrolled in Medicare Part D.

CMS' proposed changes would impose new requirements on Medicare Part D related to Any Willing Pharmacy (AWP) provisions – a change that would jeopardize the affordable prescription drug coverage that seniors depend on while exposing beneficiaries to greater instances of waste, fraud and abuse.

Preferred pharmacy networks consist of a consortium of pharmacies that meet established standards for quality, safety and affordability. These networks are a hallmark of the Part D program and ensure that beneficiaries receive high-quality, affordable pharmacy services. Further, pharmacy networks provide a strong mechanism to reduce fraud, waste and abuse in the Medicare program. In fact, over the next decade, preferred pharmacy networks are projected to reduce federal Medicare Part D costs by up to \$9.3 billion.

Imposing new burdensome AWP rules on Part D plans is based on the misguided belief that beneficiaries will see expanded choice and greater costs savings. Nothing could be further from the truth. Already, seniors are highly satisfied with their access to pharmacies in the Part D program, and nine out of 10 seniors from urban, suburban, small town and rural areas say they have convenient access to Part D preferred pharmacies.

Previous attempts to advance AWP provisions, including a 2014 proposal from the Obama Administration, have been challenged by a broad range of stakeholders, including the Federal Trade Commission (FTC). In a <u>previous note</u> to CMS, the FTC stated that, "any willing pharmacy provisions may threaten to harm competition and Medicare beneficiaries." The agency added that, "Evidence suggests that prescription drug prices are likely to rise if [Medicare Part D plans] are less able to assemble selective pharmacy networks" given the limitations on negotiating discounts with pharmacies outside of designated networks.

60 Plus Association
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Exposing seniors to pharmacists or providers that fail to meet quality and cost standards undermines our shared goals to protect beneficiaries and advance a patient-driven health system. We urge

Congress to act now to protect America's seniors and their access to high-quality, affordable pharmacy services.

Sincerely,

James L. Martin Founder/Chairman 60 Plus Association