

October 21, 2019

Dear Member of Congress,

The undersigned organizations are deeply concerned that recently introduced drug pricing reforms, including H.R. 3 and the Prescription Drug Pricing Reduction Act lack a central focus on the most important part of the drug supply chain: the patient. In recent years, out-of-pocket costs have risen sharply, even as patients have a more difficult time than ever navigating insurer-imposed roadblocks to accessing the medicines they need. For this reason, any Medicare reforms must include robust protections for beneficiaries that ensure timely access to medicines.

A recent report by the Department of Health and Human Services' Office of the Inspector General (HHS OIG) examined the millions of prescriptions denied by Part D insurance companies. The HHS OIG found that, in 2017, Part D beneficiaries experienced up to 84 million rejections when they tried to fill a prescription. Given that there were 42.5 million beneficiaries enrolled in Part D that year, this amounts to almost two rejections per beneficiary.

Further, the OIG report found an alarmingly high rate of denial overturns. In 73% of cases, denials were wholly or partially overturned when appealed, indicating that insurers are leveraging initial denials as a way to delay paying for medically needed care. A staggering 88% of insurer contracts audited by the Centers for Medicare and Medicaid Services (CMS) in 2017 were cited by the agency for at least one violation resulting in inappropriate rejections. The most common violation consisted of plans imposing utilization management requirements that were not approved by CMS.

For progressive, degenerative conditions, this waiting game results in irreparable damage to the patient's health and quality of life. The disease advances unchecked during the weeks or months that the insurer draws out the appeal, only to ultimately acknowledge that the prescription should have been filled to begin with. Of course, some patients may never appeal and simply abandon the prescription, with even greater potential damage to their health as a result.

We hope the information from the HHS OIG report can validate what physicians and other healthcare professionals have known for years: insurance companies are using automated denials and utilization management to delay payment for medically necessary care. Many in our community believe that some of the utilization management is so egregious that it amounts to the practice of medicine.

These serious, data driven concerns are in the backdrop of Congress considering major changes to Medicare that would fundamentally restructure largely successful programs, without keeping these key areas of urgency front and center. We urge Congress to tread carefully, as pieces of legislation like H.R. 3 and the Prescription Drug Pricing Reduction Act look to upend the Medicare programs, and instead focus on the pain points that patients, physicians and other healthcare professionals are experiencing when it comes to pharmaceutical access.

Sincerely,

Academy of Physicians in Clinical Research

American Behcet's Disease Association

America's Business Benefit Association

Applied Pharmacy Solutions

Caregiver Action Network

Communicating for America, Inc.

International Association of Hepatitis Task Forces Lupus and Allied Diseases Association, Inc.

National Grange

Neuropathy Action Foundation

RetireSafe

The National Infusion Center Association

The National Puerto Rican Chamber of Commerce