

Co-Sponsor H.R. 2624, the Part D Beneficiary Appeals Fairness Act

Help Chronically Ill Seniors Afford Specialty Tier Prescription Drug Costs In Medicare Part D

Cosponsors: McKinley, Conyers, Grijalva, Holmes Norton

Dear Colleague:

I hope that you will join me in ensuring that seniors have the lowest possible prices for prescription drugs by becoming a co-sponsor of my legislation, H.R. 2624, the Part D Beneficiary Appeals Fairness Act. This bipartisan bill will help seniors keep their drug costs down by allowing them the option of appealing the high costs of specialty tier drugs through Medicare Part D.

As you may be aware, the majority of Medicare Part D Prescription Drug plans include tiered cost-sharing structures to differentiate between drug types, such as generic, preferred brand-name, and non-preferred brand-name drugs. For each tier, beneficiaries are required to pay a fixed dollar amount or co-pay. Lower tier drugs, (e.g. generic drugs or preferred brand-name) generally have lower co-pays; higher tier drugs (e.g. non-preferred brand-name drugs) are more costly.

The Centers for Medicare and Medicaid Services (CMS) has recently allowed plans to create a “specialty” tier, which covers high-priced and injectable drugs that exceed a minimum monthly cost threshold determined by CMS. The minimum monthly cost threshold for specialty tier drugs has remained at \$600 for five consecutive years. In reality, the cost of most specialty tier drugs exceeds this threshold, with an average price of \$1100 per month. Specialty tier drugs are used to treat chronic illnesses and diseases such as hemophilia, multiple sclerosis, Crohn's disease, rheumatoid arthritis and cancer, among others.

Drugs placed on specialty tiers are assigned coinsurance rates, which require beneficiaries to pay on average 30% of the drug's cost. This payment method differs from the fixed-cost co-pay structure that applies to drugs placed on generic, preferred or non-preferred drug tiers. Individuals with chronic illnesses and diseases often must purchase numerous specialty tier drugs annually. In the vast majority of cases, there are no generic alternatives or medications included in other Part D drug tiers that can be used to treat beneficiaries with these conditions, leaving individuals with the choice to either pay hundreds or even thousands of dollars each month for specialty drugs or forego medically necessary treatment. Beneficiaries who opt to skip treatment are then likely to suffer worse health outcomes, leading to greater costs in other parts of the Medicare program.

There is no mechanism for relief of beneficiaries who require specialty tier drugs but cannot afford them. Such a mechanism does exist for beneficiaries who require non-preferred brand-name drugs. “Tiering exceptions,” if granted, allow beneficiaries to pay the lower-priced preferred drug copayment for a non-preferred drug if the beneficiary's physician determines that no drug offered under the preferred brand-name drug tier could be used to effectively treat the patient's illness or condition.

The Part D Beneficiary Appeals Fairness Act would amend the Social Security Act to allow Medicare beneficiaries to request a tiering exception for any drug included in any tiered cost-sharing structure within a Medicare Part D Prescription Drug Plan formulary. It would allow beneficiaries to seek tiering exceptions for specialty tier drugs and prohibit any Medicare Part D Prescription Drug Plan sponsor to make any element of the tiered-cost sharing structure ineligible for an exception.

The simple truth is that the majority of our nation's senior citizens are living on strictly limited incomes in today's economic climate. Expecting chronically ill seniors to pay thousands of dollars of treatment for specialty drugs monthly is unrealistic and unfair. With the Part D Beneficiary Appeals Fairness Act, Part D would at least afford seniors the option of seeking tiering exceptions for these high-cost drugs.

Please find below a list of organizations in support of this legislation. If you have any questions or you would like to be a cosponsor of the bill, please contact Scott Goldstein in my office at scott.goldstein@mail.house.gov (5-1605).

Sincerely,

/s

Henry C. "Hank" Johnson

Organizations supportive of the Part D Beneficiary Appeals Fairness Act:

AARP, Advocates for Responsible Care, Aging Life Care Association, Allergy and Asthma Network, Alliance for Aging Research, Alliance for Patient Access (AfPA), The ALS Association, Alzheimer's Association, American Association of Neuromuscular and Electrodiagnostic Medicine, American College of Rheumatology, American Liver Foundation, Arthritis Foundation, ARxC, Asthma and Allergy Foundation of American, Atlanta Regional Commission - Area Agency on Aging, B'nai B'rith International, Baxter, Caregiver Action Network, Center for Medicare Advocacy, Inc., Crohn's and Colitis Foundation of America, Digestive Disease National Coalition, Dystonia Medical Research Foundation, Epilepsy Foundation, Families USA, GBS/CIDP Foundation International, Hemophilia Federation of America, Hepatitis Foundation International, Interstitial Cystitis Association, International Myeloma Foundation, Justice in Aging, Leukemia and Lymphoma Society, Lupus and Allied Diseases Association, Inc., Lupus Foundation of America, Medicare Rights Center, Men's Health Network, Mental Health America, NASUAD (Association of State Aging and Disability Agencies), National Academy of Elder Law Attorneys, National Adult Day Services Association, National Alliance on Mental Illness, National Association of Area Agencies on Aging (n4a), National Association of Nutrition and Aging Services Programs (NANASP), National Committee to Preserve Social Security and Medicare, National Consumer Voice for Quality Long-Term Care, National Council for Behavioral Health, National Council on Aging, National Health Council, National Hispanic Council on Aging, National Organization for Rare Disorders (NORD), National Psoriasis Foundation, OWL - The Voice of Women 40+, Parkinson's Action Network, Pulmonary Hypertension Association, RetireSafe, SAGE (Services and Advocacy for GLBT Elders), Schleroderma Foundation, Specialty Tiers Coalition of Georgia, The AIDS Institute, The ARC of the United States, The Sturge-Weber Foundation, United Cerebral Palsy, U.S. Hereditary Angioedema Association