



September 11, 2018

Dear Senator Bennet,

The Medicare Part D program remains an essential success story, providing approximately 44 million seniors and individuals with disabilities with access to affordable prescription drug coverage. In Colorado alone, the Part D program covers 622,279 with the lowest monthly premium for a plan totaling \$20.40. The success of Part D is owed to its market-based structure that fosters competition to keep costs low, while providing coverage for a wide range of medications and treatments. But the future of Part D is dependent on sound decision making in Washington that protects the program's fundamental structure.

We are deeply concerned about recent changes to Medicare Part D, contained in the Bipartisan Budget Act (BBA) of 2018, that risk destabilizing the carefully aligned incentives of the program. The provision contained within the BBA drastically alters the allocation of costs for stakeholders in the coverage gap of Part D, frequently referred to as the "donut hole."

Under this provision, beginning in 2019 beneficiaries will pay 25 percent of their costs in the donut hole, while insurance plans will only be responsible for 5 percent of beneficiary costs, down from 25 percent before the BBA. Brand manufacturers will see their share jump from 50 percent to 70 percent.

Reducing buy-in from insurance plans, who serve as important stakeholders in the program, decreases incentives to keep plan costs low, which undermines Part D's competitive marketplace structure and could negatively impact the costs seniors and individuals with disabilities pay at the pharmacy counter. These individuals often live on fixed incomes, meaning a rise in costs could put their access to medications, vital to their individual health and wellbeing, out of reach. Congress must work to fairly rebalance stakeholder cost-sharing liability in the donut hole in order to ensure the cost controls present in Part D continue to work as intended.

Another threat that demands Congress' immediate attention is the upcoming "Medicare out-of-pocket cliff." While the Affordable Care Act (ACA) temporarily slowed the growth of out-of-pocket spending beneficiaries are required to cover before entering Part D's catastrophic coverage phase, those controls are set to end in 2020. Without action from Congress to address this cliff, the coverage gap will widen by

more than \$1,200, putting millions of vulnerable seniors at risk. Immediate action is required to avert this looming cliff that could severely affect seniors' access to prescription drugs.

Protecting the successes of Medicare Part D is a bipartisan issue that demands cooperation from both sides of the aisle. Seniors and individuals with disabilities are looking to Colorado's elected leaders to ensure their current treatment regimens will continue without bureaucratic disruptions. The peace of mind and access that the Part D program provides for beneficiaries is too important to our overall health care system not to take seriously.

With the 115th Congress now in its last few months, the time for action is now. We encourage you and your fellow members of Congress to take the necessary steps to address these issues and preserve the long-term viability, health and successes of the essential Medicare Part D program.

Sincerely,

Colorado BioScience Association

Colorado Business Roundtable

Colorado Gerontological Society

Epilepsy Foundation of Colorado

Rocky Mountain Stroke Center

Scleroderma Foundation – Rocky Mountain Chapter

We Work for Health Colorado