Congress of the United States Washington, DC 20515

June 18, 2019

President Donald Trump The White House 1600 Pennsylvania Ave, NW Washington, DC 20500

Dear Mr. President,

We write today to express our disappointment that the recently finalized Centers for Medicare & Medicaid Services (CMS) rule, Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out of Pocket Expenses (CMS-4180-F), failed to finalize the pharmacy direct and indirect remuneration (DIR) fee reform for plan year 2020, as included in CMS's original proposal. While we commend the administration for your goal to reduce seniors' out of pocket costs for prescription drugs, we believe that finalizing this rule without including DIR reform is a missed opportunity to deliver real cost savings to Medicare beneficiaries. Without DIR reform, another year could pass before seniors see drug prices lowered at the pharmacy counter.

As CMS itself cited in the proposed rule, DIR fees on pharmacies participating in Part D grew by 45,000 percent between 2010 and 2017. This increase is unacceptable and unsustainable, and creates uncertainty not only for community and specialty pharmacies but also for the patients who rely on Part D prescription drugs. Until pharmacy DIR fee reform occurs, seniors will continue to pay higher cost-sharing for their prescription drugs. CMS estimated that these reforms would have saved Medicare beneficiaries between \$7.1 and \$9.2 billion in cost sharing over the next ten years.

For these reasons, we continue to encourage the administration to move forward with efforts to deliver seniors real relief from rising prescription drug costs. We stand ready to work with you to determine how we can adopt this relief this year.

Sincerely,

PETER WELCH

Member of Congress

VICENTE GONZALEZ

Member of Congress

H. MORGAN GRIFFITH

EARL L. "BUDDY" CARTER

Member of Congress

Member of Congress

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BRUCE WESTERMAN Member of Congress

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Member of Congress

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Cc:

Mick Mulvaney, Director: Office of Management and Budget

Vice President Mike Pence

Member of Congress

Joseph Grogan, Director: Office of Domestic Policy Larry Kudlow, Director: National Economic Council

Alex Azar, Secretary, U.S. Department of Health and Human Services Seema Verma, Administrator, Centers for Medicare and Medicaid Services