

March 24, 2016

Francis J. Crosson, M.D.  
Medicare Payment Advisory Commission  
425 I Street, NW, Suite 701  
Washington, D.C. 20001

Dear Chairman Crosson,

We are writing to urge you to not issue recommendations to Congress in support of increasing cost sharing, particularly co-pays, for brand medicines used by Low-Income Subsidy (LIS) beneficiaries in the Medicare Part D program. We also caution you in issuing recommendations that would widen the gap between generic and brand cost sharing for this population as this might trigger prescribing changes that could negatively impact care for vulnerable populations.

Recently, MedPAC and others have considered several proposals to change cost sharing for LIS populations. Specifically, MedPAC has explored increasing brand co-payments, or eliminating generic copayments as a way to encourage additional take up of generics for the LIS population. MedPAC has argued LIS enrollees tend to utilize fewer generics than their non-subsidy eligible counterparts. However, generic utilization is already high among all Part D beneficiaries and has increased every year since the program began. Further, increased cost sharing for vulnerable beneficiaries could reduce adherence, increase spending on other health care services, and worsen health outcomes.

### **Generic Utilization Already High in Both LIS and Non-LIS Populations**

MedPAC's own data show high generic utilization rates for LIS and non-LIS populations, with generic use steadily increasing for both groups. In 2013, 81 percent of LIS beneficiary prescriptions were filled with generics, versus 85 percent of non-LIS prescriptions,<sup>1</sup> with the generic use rate growing slightly faster for LIS beneficiaries from 2012 to 2013. An analysis of Medicare Part D claims data by the University of Maryland found almost no difference in generic utilization rate between non-LIS Part D enrollees and partial benefit LIS enrollees with diabetes.<sup>2</sup> Relative to non-low income beneficiaries, LIS beneficiaries are in poorer health and often have multiple conditions or diseases and are more likely to be disabled.<sup>3</sup> These differences in health status can help explain differences in generic utilization between LIS and non-LIS beneficiaries.

### **Higher Cost Sharing for Branded Products Could Reduce Adherence, Increase Spending on Other Health Care Services in Medicare/Medicaid**

MedPAC also notes that this proposal may cause LIS enrollees to pay higher cost sharing for brand name drugs or they might not be as adherent to their prescribed treatment. We are very concerned that reduced adherence for vulnerable LIS beneficiaries would compromise patient outcomes, and raise overall Medicare costs. As already noted, LIS beneficiaries often have multiple chronic conditions, higher

---

<sup>1</sup> Medicare Payment Advisory Commission, "Report to Congress: Medicare Payment Policy" March 2016, p. 393.

<sup>2</sup> BC Stuart et al. Why Do Low-Income Subsidy (LIS) Recipients Have Higher Part D Drug Spending? Poster presentation at AcademyHealth Annual Research Meeting, June 2014 San Diego.

<sup>3</sup> Medicare Payment Advisory Commission, "Report to Congress: Medicare Payment Policy," March 2012.

rates of disabilities, and more functional or cognitive impairments than non-LIS enrollees. As a result, any changes in medication can be particularly harmful for these beneficiaries.

About half of all LIS beneficiaries qualify for Medicare before age 65 due to a disability, compared to 15 percent of non-LIS beneficiaries. Overall, LIS beneficiaries tend to be in worse health than other Medicare beneficiaries, and therefore may need multiple brand medicines to treat their chronic and often complex conditions. In fact, MedPAC has noted due to the complexity of their conditions, LIS beneficiaries tend to fill more prescription than other beneficiaries, on average.<sup>4</sup> This means that higher relative copays would disproportionately penalize this population.

We are also concerned that a decline in medication adherence will only lead to poorer health outcomes, which in turn will cost the Medicare and Medicaid programs even more in avoidable hospitalizations and other unnecessary medical care. We should be encouraging these patients to take the medications their doctors prescribe rather than creating barriers that could lead them to skip doses or switch medicines, which could disrupt their treatment plans.

As part of your deliberations, we encourage you to instead look at improving the appeals process for denied coverage of specific drugs. Recent findings of the CMS' audits of plan sponsors revealed ongoing challenges related to coverage determinations, appeals and grievances (CDAG) as well as formulary and benefits administration. CDAG violations continue to be a key driver of CMS penalties and sanctions.<sup>5</sup> There are several reforms MedPAC could consider, including improving plain language denial notices to beneficiaries, improved data collection, and up front coverage determinations as a means to enhance affordability and medication adherence for the Part D LIS population.

We appreciate your attention to this issue and look forward to working with you on these important issues. We are happy to be a resource to MedPAC as you continue your deliberations on these issues and can meet with you and the Commission staff at your convenience.

Sincerely,

AIDS United

Alliance for the Adoption of Innovations in Medicine (Aimed Alliance)

American Association on Health and Disability

American Autoimmune Related Diseases Association

American Behcet's Disease Association

American Liver Foundation

American Psychiatric Association

American Psychological Association

Asian & Pacific Islander American Health Forum

Association for Ambulatory Behavioral Healthcare

Caregiver Action Network

---

<sup>4</sup> Medicare Payment Advisory Commission, "A Data Book: Health care spending and the Medicare program" June 2015. Section10, p. 170.

<sup>5</sup> Centers for Medicare & Medicaid Services, "The 2014 Part C and Part D Program Annual Audit and enforcement Report" October 2015, p. 33-35.

Center for Healthcare Innovation  
Children and Adults with Attention-Deficit Hyperactivity Disorder (CHADD)  
Christopher & Dana Reeve Foundation  
Community Access National Network (CANN)  
Easter Seals  
Epilepsy Foundation  
Global Colon Cancer Association  
Global Healthy Living Foundation  
HealthHIV  
Lakeshore Foundation  
Lupus and Allied Diseases Association  
Lupus Foundation of America  
Malecare Cancer Support  
Medical Partnership 4 MS (MP4MS)  
Men's Health Network  
Multiple Sclerosis Foundation  
National Alliance on Mental Illness (NAMI)  
NAACP  
National Asian Pacific Center on Aging  
National Association of Nutrition and Aging Services Programs (NANASP)  
National Association of State Head Injury Administrators  
National Association of States United for Aging and Disabilities  
National Black Nurses Association  
National Council for Behavioral Health  
National Council of Asian Pacific Islander Physicians  
National Disability Rights Network  
National Down Syndrome Society  
National Grange  
National Hispanic Council on Aging  
National LGBT Cancer Project  
National Minority AIDS Council (NMAC)  
National Multiple Sclerosis Society  
National Osteoporosis Foundation  
National Patient Advocacy Foundation  
National Viral Hepatitis Roundtable  
No Health without Mental Health (NHMH)  
OWL-The Voice of Women 40+  
RetireSafe  
Salud USA  
Schizophrenia and Related Disorders Alliance of America  
Suicide Awareness Voices of Education  
The AIDS Institute  
The American Orthopsychiatric Association

The Arc of the United States  
The Veterans Health Council  
US Pain Foundation Inc  
Vasculitis Foundation  
Vietnam Veterans of America  
Women's Institute for a Secure Retirement

#### State & Local Organizations

1 in 9: The Long Island Breast Cancer Action Coalition  
ADAP Advocacy Association (aaa+)  
Advocates for Responsible Care( ARxC)  
AIDS Alabama  
AIDS Alabama  
AIDS Resource Center Ohio  
AIDS Response Seacoast  
Alzheimer's & Dementia Resource Center  
Alzheimer's and Dementia Alliance of Wisconsin  
Applied Pharmacy Solutions; Touro University California College of Pharmacy  
Asthma & Allergy Foundation of America, New England Chapter  
Autoimmune Advocacy Alliance  
Behavioral Health & Wellness  
Benjamin Rose Insititue on Aging  
Bio Nebraska Life Sciences Association  
BioForward  
Bioscience Association of WV  
Brain Injury Association of Nebraska  
California Chronic Care Coalition  
California Life Sciences Association (CLSA)  
California NAACP  
California Senior Advocates League  
Capital Area Agency on Aging  
Caring Families Coalition  
Cascade AIDS Project  
Central Florida Behavioral Health Network  
Charleston Parkinson's Support Group  
CNY HIV Care Network  
Combined Health Agencies  
Community Behavioral Healthcare Assoc of Illinois  
Community Health Action Network (CHAN)  
Community Health Charities of Nebraska  
Community Liver Alliance  
Dia de la Mujer Latina  
East Georgia Cancer Coalition Inc.  
Easter Seals Central and Southeast Ohio  
Easter Seals Massachusetts  
Easter Seals North Georgia, Inc.  
Eldercare Advocacy of Florida

## Empower Missouri

Epilepsy Foundation Heart of Wisconsin  
Epilepsy Foundation Louisiana  
Epilepsy Foundation of Alabama  
Epilepsy Foundation of Greater Chicago  
Epilepsy Foundation of Western Ohio  
Epilepsy Foundation Western/Central Pennsylvania  
Fair Hill Partners  
Florida Psychiatric Society  
Florida Society of Clinical Oncology  
Florida Society of Neurology  
Florida Society of Rheumatology  
Florida State Hispanic Chamber of Commerce  
Gay Men Aloud  
Grand Prairie Services  
Granite State Taxpayers  
Hinds Behavioral Health Services (HBHS)  
International Institute of Human Empowerment  
Iowa Biotechnology Association  
Iowa State Grange  
Iris House, Inc.  
Kaiser Clinical Research Services  
Kenneth Young Center  
Kentucky and Southern Indiana Stroke Association  
Kentucky Diabetes Network  
Kentucky Life Sciences Council  
Kreider Services Inc  
Lake County United  
Louisiana Psychiatric Medical Association  
Lupus Foundation New England  
Lupus Foundation of Florida  
Lupus Foundation of Southern California  
Lupus LA  
Lupus of Nevada, Inc.  
Massachusetts Association for Mental Health  
Medical Oncology Association of Southern California  
Memorial Behavioral Health  
Mental Health & Addiction Advocacy Coalition  
Mental Health America of Eastern Missouri  
Mental Health America of Montana  
Mental Health Association in New York State, Inc.  
Mental Health Awareness Team  
Michigan Biosciences Industry Association - MichBio  
Michigan Medical Group Management Association  
Minnesota Rural Health Association  
Missouri Association of Osteopathic Physicians and Surgeons  
Missouri Biotechnology Industry Organization (MOBIO)

Molly's Fund Fighting Lupus  
Montana BioScience Alliance  
MS Resources  
NAADAC-The Association for Addiction Professionals  
NAMI Alabama  
NAMI Barrington Area  
NAMI Central Iowa  
NAMI Clackamas County  
NAMI Clark, Greene and Madison Counties  
NAMI Colorado  
NAMI Cook County North Suburban  
NAMI Dane County  
NAMI DuPage  
NAMI Fingerlakes  
NAMI Greater Des Moines  
NAMI Greater Kansas City  
NAMI Illinois  
NAMI Iowa  
NAMI Johnson County  
NAMI Kane County North  
NAMI Kane-South, DeKalb and Kendall Counties  
NAMI Kansas  
NAMI Kentucky  
NAMI Maryland  
NAMI Massachusetts  
NAMI Meridian  
NAMI Metro Baltimore  
NAMI Mid-Carolina  
NAMI Mississippi, Central Affiliate  
NAMI Missouri  
NAMI Montana  
NAMI Nebraska  
NAMI New Mexico  
NAMI North Carolina  
NAMI Northern Virginia  
NAMI NYC Metro  
NAMI NYC Staten Island  
NAMI of Central Suffolk, Inc.  
NAMI of Jefferson City, Missouri  
NAMI of the Pee Dee  
NAMI of Vicksburg, Mississippi  
NAMI Ohio  
NAMI PBC  
NAMI Reno County  
NAMI Richland County  
NAMI Seattle  
NAMI South Affiliate  
NAMI South Carolina

NAMI South Suburbs of Chicago  
NAMI Southeast Minnesota  
NAMI Southeast Missouri  
NAMI Southern Arizona  
NAMI Southwestern Illinois  
NAMI Southwestern Pennsylvania  
NAMI St. Louis  
NAMI Stark County  
NAMI Texas  
NAMI Topeka  
NAMI Utah  
NAMI Washington  
NAMI Wichita  
NASW Ohio Chapter  
National Association of County Behavioral Health & Developmental Disability Directors  
(NACBHDD)  
National Association of Hispanic Nurses Houston  
National Association of Social Workers- Texas Chapter  
National Association of Social Workers-Virginia Chapter  
National Kidney Foundation of Florida  
Nevada Cancer Coalition  
New Hampshire Catholic Charities  
New Mexico AIDS Services  
New Orleans Council on Aging - Area Agency on Aging  
New York State Conference NAACP  
North Central Regional Mental Health Board  
Northern Suburban Special Education District  
Ohio Conference NAACP  
Ohio Council of Behavioral Health & Family Services Providers  
Ohio Sickle Cell And Health Association  
OWLS-Utah, (Older, Wiser, Lesbians)  
Partnerships in Caregiving, Inc.  
Pennsylvania Bio  
Prescription Assistance Network of Stark County, Inc.  
Prescription Drug Assistance Foundation  
PrimeFocus Advocacy  
Project ReDirect DC  
Psychosocial Rehabilitation Association of New Mexico  
Relasing Polychondritis Awareness and Support Foundation  
Rocky Mountain Health Network  
Rush To Live  
Samaritan Counseling Center  
Senior Connections, The Capital Area Agency on Aging  
Seniors United  
Sickle Cell Disease Association of Florida  
SIDE Inc.  
Southwest Center for Independent Living (SCIL)  
Spartanburg Alliance On Mental Illness

Specialty Tiers Coalition of Georgia (STCG)  
Spina Bifida Association of Kentucky  
State of Texas Kidney Foundation  
Survivors of Suicide Support Group  
Texas Association of Business  
Texas Association of Manufacturers  
Texas Life Sciences Collaboration Center  
Texas Renal Coalition  
The Senior Citizens Council of Greater Augusta and the CSRA, Georgia, Inc.  
The Wall Las Memorias Project  
Trillium Health  
Utah Support Advocates for Recovery Awareness (USARA)  
Vietnamese Social Services of Minnesota  
Virginia Bio  
Virginia Breast Cancer Coalition  
Vision for Change  
Wisconsin Association of Osteopathic Physicians & Surgeons  
Wisconsin State Grange  
Wound Care Clinic - ESU, Inc  
Wyoming Epilepsy Association