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, 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. 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. 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

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. 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.

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

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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 Organziation (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