



September 14, 2023

The Honorable Frank Pallone
Ranking Member
House Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
House Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Robert C. "Bobby" Scott
Ranking Member
House Committee of Education and the Workforce
U.S. House of Representatives
Washington, DC 20515

Dear Ranking Members Pallone, Neal and Scott:

On behalf of the American College of Physicians (ACP), I am writing to express our support for H.R. 4895, the *Lowering Drug Costs for American Families Act*. This legislation would build upon the historic drug pricing provisions in the Inflation Reduction Act of 2022, further strengthening Medicare's Drug Pricing Program. This bill would expand the annual number of prescription drugs selected for negotiation in the Drug Pricing Program from 20 to 50, starting in 2029. By expanding the number of high-costs drugs that Medicare can negotiate, more Americans will have access to care, which is in alignment with ACP's goal to improve access to care for patients across the country. Thank you for your ongoing leadership to address the rising costs of prescription drugs and improve seniors' access to essential medications that help manage their illnesses and chronic conditions.

ACP is the largest medical specialty organization and the second largest physician membership society in the United States. ACP members include 161,000 internal medicine physicians, related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge, clinical expertise, and compassion to the preventive, diagnostic, and therapeutic care of adults across the spectrum from health to complex illness.

Expanding the Drug Negotiation Program

Prescription drug spending is projected to increase by almost 6% annually from 2024 to 2028—making it one of the fastest growing health care spending categories.¹ As the costs of prescription

¹ Keehan S, et al. National Health Expenditure Projections, 2019–28: expected rebound in prices drives rising spending growth. *Health Affairs*. 2020;39(4).

drugs continue to rise, more patients are cut off from life-saving medications because they cannot afford to pay the out-of-pocket costs for these drugs. When patients cannot access drugs that they need, they are more likely to forego their medications. It is estimated that medication non-adherence results in roughly 125,000 deaths, 10 percent of hospitalizations, increased morbidity and mortality rates, and costs the U.S. healthcare system anywhere from \$100-\$300 billion a year.²

Over the last several years, ACP has expressed [concerns](#) over the rising cost of prescription drugs. Reports show that although the use of prescription drugs in the United States is high, it is not an outlier compared with nine other high-income nations. One of the primary differences between health care expenditures in the United States versus other high-income nations is the lack of direct price controls or negotiating power by centralized government health care systems.³

The College has long supported [policies](#) that would allow Medicare to leverage its purchasing power and directly negotiate with manufacturers for drug prices and the College has called for a full repeal of the noninterference clause. However, ACP is also [supportive](#) of an interim approach, such as allowing the Secretary of Health and Human Services (HHS) to negotiate for a limited set of high-cost or sole-source drugs, as included in H.R. 4895. **ACP strongly supports Section 2(a) under the Expanding the Drug Price Negotiation Program, which would allow the Secretary of HHS to negotiate 50 high-cost Medicare Part B and Part D drugs, starting in 2029 and in subsequent years.** We believe that expanding the number of drugs from 20 to 50 will provide more patients with access to critically important medications that they need to manage their care safely and effectively.

There is also strong public support for Medicare having negotiating authority. According to a Kaiser Family Foundation [tracking poll](#), granting Medicare Part D the authority to negotiate drug prices is favored by a bipartisan majority of the public, with more than 90 percent of Democrats, Republicans, and Independents agreeing with this approach. It also worth highlighting support for prescription drug negotiation outlined in a National Academies of Sciences, Engineering, and Medicine [report](#) on improving the affordability of prescription drugs as part of a package of broader reforms for consolidating and leveraging purchasing power and strengthening formulary design.

Pharmaceutical companies will retain the ability to make up lost revenues in pricing by increasing their launch prices to counteract lower returns in later years when a drug may become subject to Medicare negotiation, thus reducing the overall effectiveness of the legislation. **Along these lines, we [supported](#) a provision in the Elijah E. Cummings Lower Drug Costs Now Act, that would mandate that the Secretary of HHS identify 250 brand name drugs that lack competition in the marketplace and that account for the greatest cost to Medicare and the U.S. health system and then negotiate directly with drug manufacturers to establish a maximum fair price for a bare minimum of 25 of those drugs.** A 2019 [estimate](#) by the Congressional Budget Office, projected that by allowing Medicare to directly negotiate prescription drug prices with manufacturers, it would reduce direct

² Viswanathan, Meera, Carol E. Golin, Christine D. Jones, Mahima Ashok, Susan J. Blalock, Roberta CM Wines, Emmanuel JL Coker-Schwimmer, David L. Rosen, Priyanka Sista, and Kathleen N. Lohr. "Interventions to improve adherence to self-administered medications for chronic diseases in the United States: a systematic review." *Annals of internal medicine* 157, no. 11 (2012): 785-795.

³ Sarnak DO, Squires D, Kuzmak G, et al. Paying for prescription drugs around the world: why is the U.S. an outlier? *Issue Brief (Commonw Fund)*. 2017;2017:1-14. [PMID: [28990747](#)]

health care spending by \$456 billion over 10 years. Therefore, we urge lawmakers to include that provision in H.R. 4895 or other legislation that curbs the costs of prescription drugs.

Putting Patients First

As Congress considers approaches to making prescription drugs more affordable for patients, ACP asks that your committees examine practices implemented by health insurers to curb costs. We would like to take this opportunity to bring attention to two problematic practices that should be improved to put patients first. Step therapy, a protocol implemented by insurers, has been used to curb the costs of prescription drugs. It requires patients to try and fail at lower-priced drugs selected by their insurer before the drug prescribed by their doctor is covered. Health plans can also change coverage to take patients off their current medication plans for cost reasons, a practice known as nonmedical drug switching.⁴ These practices can disrupt patient care and hinder access to treatment. **ACP supports policy requiring that all step therapy and medication switching policies minimize care disruption, harm, side effects, and risks to the patient. We strongly recommend that Congress pass [H.R.2630/S. 652, the Safe Step Act of 2023](#), which would address arbitrary step therapy protocols by providing a transparent exceptions process.**

We greatly appreciate your efforts to lead on policies that aim to lower the costs of prescription drugs and put patients first. Should you have any questions, or if we can be of further assistance, please contact Vy Oxman, Senior Associate of Legislative Affairs, at voxman@acponline.org.

Sincerely,



Omar T. Atiq, MD, FACP

President

⁴ Dolinar R, Kohn CG, Lavernia F, et al. The non-medical switching of prescription medications. *Postgrad Med.* 2019;131:335-341. [PMID: 31081414] doi:10.1080/00325481.2019.1618195