



March 29, 2016

Mark Miller, Ph.D.  
Executive Director  
Medicare Payment Advisory Commission  
425 I St, NW  
Suite 701  
Washington, DC 20001

Dear. Dr. Miller:

The American College of Physicians (ACP) has been following the Medicare Payment Advisory Commission's (MedPAC) efforts to study and improve the Medicare Part D Program. A major concern of the College is the rising cost of medications and the effect of these significant cost increases on drug access<sup>1</sup>. One area of particular concern is the extent to which cost factors interfere in the ability of Medicare beneficiaries with chronic conditions, which typically require daily pharmacotherapy to address their condition(s), to obtain their necessary medications. In an effort to address this concern, the College requests that MedPAC undertake a formal analysis of the impact on adherence, cost and outcome of removing or reducing co-payments for a specific set of evidence-based, common chronic condition/medication pairings.

The ACP is the largest medical specialty organization and the second-largest physician group in the United States. ACP members include 143,000 internal medicine physicians (internists), related subspecialists, and medical students. Internal medicine physicians are specialists who apply scientific knowledge and clinical expertise to the diagnosis, treatment, and compassionate care of adults across the spectrum from health to complex illness

### **Background**

An informal review of the literature<sup>2 3 4 5 6</sup> regarding the use of co-pays for medications used for addressing chronic conditions reflects evidence of:

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<sup>1</sup>Daniel, H. Stemming the Escalating Cost of Prescription Drugs: A Position Paper of the American College of Physicians. *Ann Intern Med*. Published online 29 March 2016. doi: 10.7326/M15-2768

<sup>2</sup> Huskamp HA, et al. The effect of incentive-based formularies on prescription drug utilization and spending. *N Engl J Med*. 2003; 349:2224-32.

<sup>3</sup> Goldman DP et al. Prescription drug cost sharing: Associations with medication and medical utilization and spending and health. *JAMA*. 2007; 298:61-9.

<sup>4</sup> Choudhry NK, et al. The impact of reducing cardiovascular medication copayments on health spending and resource utilization. *J Amer Coll Cardiol*. 2012; 60:1817-24.

- reduced adherence and increased total healthcare spending with the use of co-pays,
- improved adherence, reduced ED visits and improved health outcomes when co-pays are reduced or eliminated; and,
- a lack of any overall savings when co-pays are raised in low income populations.

Furthermore, the Congressional Budget Office (CBO) <sup>7</sup> recently recognized the “offsetting effects” in general Medicare healthcare spending of changes in the Part D benefit that result in the increased use of prescriptive drugs.

**Request**

Based on the above evidence, the College requests that

1. MedPAC conduct a formal analysis of the impact on adherence, cost and outcome of removing or reducing co-payments for a specific set of evidence-based, common chronic condition/medication pairings. Some examples of such pairings include:

CONDITION	MEDICATION CLASSES
Congestive Heart Failure (CHF)	Angiotensin-converting enzyme (ACE) inhibitors Angiotensin II receptor blockers (ARBs) Beta Blocker Diuretics
Chronic Obstructive Pulmonary Disease (COPD)	Short and long-acting beta-agonist bronchodilator, inhaled steroid and combinations
Diabetes Mellitus	Oral agents (e.g. metformin, glipizide, glyburide, rosiglitazone or pioglitazone) and all insulin preparations.
Hypertension	ACE Inhibitor ARBs Beta Blocker Calcium Channel Blocks (CCB) Diuretics

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<sup>5</sup> Gibson TB, et al. Impact of statin copayments on adherence and medical care utilization and expenditures. *Amer J Managed Care*. 2006; 12:SP11-19.

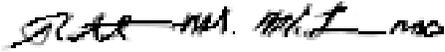
<sup>6</sup> Wallace NT, et al. How effective are copayments in reducing expenditures for low-income adult Medicaid beneficiaries? *Experience from the Oregon Health Plan*. *Health Serv Res*. 2008; 43:515-30.

<sup>7</sup> Congressional Budget Office. Offsetting effects of prescription drugs on Medicare spending for medical services. November, 2012. Available at [https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/MedicalOffsets\\_One-col.pdf](https://www.cbo.gov/sites/default/files/112th-congress-2011-2012/reports/MedicalOffsets_One-col.pdf)

2. If supported by the above evaluation, the College further requests that MedPAC make a recommendation to Congress that cost sharing for a defined specific set of evidenced-based, common chronic condition/medication pairings be significantly reduced or removed.

Please contact Neil Kirschner Ph.D. at [nkirschner@acponline.org](mailto:nkirschner@acponline.org) or 202 261-4535 if you have any questions regarding this request.

Respectfully

A handwritten signature in black ink, appearing to read "R. McLean, MD, FACP".

Robert McLean, MD, FACP  
Chair, Medical Practice and Quality Committee