

July 12, 2021

The Honorable Ron Wyden
Chairman, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member, Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Frank Pallone
Chairman, Committee on Energy & Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Cathy McMorris Rodgers
Ranking Member, Committee on Energy &
Commerce
United States House of Representatives
Washington, DC 20515

Dear Chairmen Wyden and Pallone, and Ranking Members Crapo and McMorris Rodgers:

As Congress continues to consider important legislation aimed at reducing the cost of medicines for America's patients, we urge you to prioritize policies that support access to lower-cost generic drugs and biosimilars. On behalf of the patients, consumers and taxpayers we represent, we request that any comprehensive drug pricing legislation address the pressing issue of delayed patient access to generic medicines in Medicare Part D -- a trend that has already cost seniors \$22 billion in out-of-pocket costs since 2016. Failure to solve this problem will only increase beneficiary and health system costs, and harm patients who desperately need greater access to affordable medicines.

Generics and biosimilars offer immense value to patients and the health care system. Over the last decade, they have saved America's patients and our system more than \$2 trillion, including \$96.1 billion for Medicare in 2019 alone. However, recent changes in treatment of generic medicines on formularies often reduce the full value of generics and put those savings in jeopardy.

Here's what's happening: Medicare Part D prescription drug plans are not covering lower-cost generics and biosimilars, making them unavailable to seniors. Despite the U.S. Food and Drug Administration's record number of generic drug approvals, in 2020, for the first time, less than half of all generic products were placed on generic tiers. Over the last decade, generic coverage on generic formulary tiers has dropped from 93% to 45%. In 2011, 71% of generics were on a preferred generic tier; only 10% of generics are on preferred generic tiers in 2021. Today, only 10 percent of generics are on the lowest cost-sharing tier. As a result, seniors are forced to pay higher out-of-pocket costs to the tune of \$4 billion annually, and taxpayers are left footing the bill.

Our organizations support simple, practical solutions to ensure patient access to lower-cost medicines: 1) automatic coverage under Part D of lower-cost generic drugs and biosimilars immediately upon launch; 2) placement of generic drugs only on lower-cost sharing generic tiers; and, 3) creation of a new specialty tier reserved for biosimilars and specialty generics with lower cost-sharing for patients. These common-sense solutions have received bipartisan support in both

the House and Senate and will meaningfully reduce Federal spending and out-of-pocket costs for Medicare beneficiaries.

Patients and taxpayers are in dire need of policies that will improve the affordability and accessibility of generic and biosimilar medicines. Ensuring timely and proper access to affordable medicines is an important step in lowering patient costs at the pharmacy counter and reducing overall Medicare spending. We stand ready to work with you and your colleagues to continue to improve Medicare.

Sincerely,

Allergy Asthma Network
Asthma and Allergy Foundation of America
Beyond Type 1
Black Women's Health Imperative
Bonnell Foundation
Boomer Esiason Foundation
Bucks County Cystic Fibrosis Alliance
CF Lifestyle Foundation
Champions Action Network
Children With Diabetes
College Diabetes Network
Cure CF Inc.
Cystic Fibrosis Research Institute
Diabetes Leadership Council
Diabetes Patient Advocate Coalition
Diabetes Sisters
Emily's Entourage
HealthyWomen
Rock CF
ZERO - The End of Prostate Cancer