June 18, 2019

Dear Mr. President,

We write today to express our disappointment that the recently finalized Centers for Medicare & Medicaid Services (CMS) rule, Modernizing Part D and Medicare Advantage to Lower Drug Prices and Reduce Out of Pocket Expenses (CMS-4180-F), failed to finalize the pharmacy direct and indirect remuneration (DIR) fee reform for plan year 2020, as included in CMS’s original proposal. While we commend the administration for your goal to reduce seniors’ out of pocket costs for prescription drugs, we believe that finalizing this rule without including DIR reform is a missed opportunity to deliver real cost savings to Medicare beneficiaries. Without DIR reform, another year could pass before seniors see drug prices lowered at the pharmacy counter.

As CMS itself cited in the proposed rule, DIR fees on pharmacies participating in Part D grew by 45,000 percent between 2010 and 2017. This increase is unacceptable and unsustainable, and creates uncertainty not only for community and specialty pharmacies but also for the patients who rely on Part D prescription drugs. Until pharmacy DIR fee reform occurs, seniors will continue to pay higher cost-sharing for their prescription drugs. CMS estimated that these reforms would have saved Medicare beneficiaries between $7.1 and $9.2 billion in cost sharing over the next ten years.

For these reasons, we continue to encourage the administration to move forward with efforts to deliver seniors real relief from rising prescription drug costs. We stand ready to work with you to determine how we can adopt this relief this year.

Sincerely,

PETER WELCH
Member of Congress

EARL L. "BUDDY" CARTER
Member of Congress

VICENTE GONZALEZ
Member of Congress

H. MORGAN GRIFFITH
Member of Congress
ROGER WILLIAMS  
Member of Congress

GARRET GRAVES  
Member of Congress

AUSTIN SCOTT  
Member of Congress

NEAL DUNN, M.D.  
Member of Congress

JODY HICE  
Member of Congress

STEVE CHABOT  
Member of Congress

TED BUDD  
Member of Congress

FRENCH HILL  
Member of Congress

JOHN KATKO  
Member of Congress

CHRIS COLLINS  
Member of Congress

LOUIE GOHMERT  
Member of Congress

DAVID P. ROE, M.D.  
Member of Congress

JOHN JOYCE, M.D.  
Member of Congress

JOHN SHIMKUS  
Member of Congress
GLENN "GT" THOMPSON  
Member of Congress

LARRY BUCSHON  
Member of Congress

DON YOUNG  
Member of Congress

TOM O'HALLERAN  
Member of Congress

RON ESTES  
Member of Congress

BILL POSEY  
Member of Congress

LISA BLUNT ROCHESTER  
Member of Congress

MIKE BOST  
Member of Congress

SEAN DUFFY  
Member of Congress

GLENN GROTHMAN  
Member of Congress

TRENT KELLY  
Member of Congress

Cc:
Mick Mulvaney, Director: Office of Management and Budget
Vice President Mike Pence
Joseph Grogan, Director: Office of Domestic Policy
Larry Kudlow, Director: National Economic Council
Alex Azar, Secretary, U.S. Department of Health and Human Services
Seema Verma, Administrator, Centers for Medicare and Medicaid Services