



October 2, 2023

Meena Seshamani, M.D., Ph.D.
Director, Center for Medicare
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services

Dear Dr. Seshamani:

AARP, which advocates for the more than 100 million Americans age 50 and over, is pleased to submit the following comments in response to the Centers for Medicare and Medicaid Services' (CMS) Medicare Drug Price Negotiation Program Patient-Focused Listening Sessions. AARP commends CMS for soliciting feedback from the public and appreciates its efforts to ensure that patients, caregivers, and health care providers have a voice in the negotiation process.

Data shows that brand-name drug prices have increased dramatically faster than inflation for decades. List prices for the 25 brand-name drugs with the highest total Medicare Part D spending in 2021 have increased by an average of 226%—or more than tripled—since they first entered the market.¹ Data also shows that all but one of the top 25 drugs' lifetime price increases greatly exceeded the corresponding annual rate of general inflation (Consumer Price Index All Urban Consumers for All Items; CPI-U) over the period that each product has been on the market (i.e., product launch date until May 2023).² For example, the price of Enbrel (Etanercept), used to treat rheumatoid arthritis and psoriatic arthritis, has increased by 701% since coming to market in 1998, and the price of Januvia (Sitagliptin), used to treat diabetes, has increased by 275% since entering the market in 2006.³ Further, the median price of a new brand-name prescription drug is now approximately \$200,000 per year,⁴ so even relatively small percentage price increases can translate into thousands of dollars and put life-saving medications out of reach of the patients who need them.

High prescription drug prices can negatively affect older adults' health and financial security. Mike, a Medicare enrollee from Massachusetts, is living with a health condition and takes Enbrel to treat the condition. When he could not afford the annual \$5,000 to \$6,000 out-of-pocket cost, Mike skipped his medication. "I would not pay it. I would just have to try to find a way around it. Do you want to eat?" Mike has said that the constant chronic pain impacted his physical,

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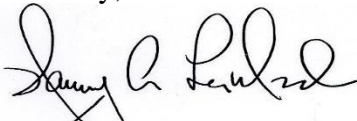
mental, and spiritual health. “It’s very difficult to be a spiritual person when you are in horrible pain all the time.”

AARP fiercely believes that the needs of Medicare beneficiaries should remain paramount as the agency implements the Negotiation Program. In 2022, about 1 in 5 adults ages 65 and up either skipped, delayed, took less medication than was prescribed, or took someone else’s medication last year because of concerns about cost.⁵ It is not fair or right to ask patients and taxpayers to continue paying for high prescription drug prices that are the result of broken markets.

Successful implementation of the new federal law will help reduce prescription drug prices and costs and ensure that millions of older Americans are better able to access the prescription drugs they need at a price they can afford. The Medicare drug price negotiation process will also finally allow CMS to push back on indiscriminately escalating drug prices and ensure that taxpayer funds are paying for value – all while saving billions for Medicare and its beneficiaries. The CBO estimates that the Negotiation Program will save Medicare and the American taxpayers nearly \$98.5 billion over 10 years,⁶ reduce the budget deficit by \$25 billion in 2031,⁷ and save Medicare Part D enrollees \$7 billion in 2031 due to lower out-of-pocket costs and premiums.⁸

This is about real people whose lives are on the line. For decades, older Americans have paid the highest prices in the world for prescription drugs - often three times higher than people in other countries. Now is the time to change that. Effective implementation of this Program will represent a major victory for older Americans and their families across the country who are struggling to afford their prescriptions. It will also help encourage and appropriately reward the development of truly innovative products. AARP stands ready to assist in any way with these and other efforts to bring down drug prices and help older Americans afford the medications and treatments they need. If you have any questions, please do not hesitate to contact me or Gidget Benitez at gbenitez@aarp.org.

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High prescription drug prices can negatively affect older adults' health and financial security. Diana, a Medicare enrollee from Pennsylvania, is living with a health condition and takes Imbruvica to treat the condition. "The Imbruvica is doing what it's supposed to do. My CLL is in remission. But it's a drug that you take forever unless you can't tolerate it for one reason or another." Diana's annual out-of-pocket costs for Imbruvica have increased year after year, paying \$8,500 in 2016 to \$11,768 in 2020. "The Imbruvica in 2020 was 13% of our gross income. ... If you have one prescription [that] costs you 13% of your GROSS income, that's

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obscene. My husband's question to me when we were paying these outrageous amounts was, 'What do you do if you can't afford it? You just die.' It shouldn't go up every year after it's been approved and there's no more research and development."

AARP fiercely believes that the needs of Medicare beneficiaries should remain paramount as the agency implements the Negotiation Program. In 2022, about 1 in 5 adults ages 65 and up either skipped, delayed, took less medication than was prescribed, or took someone else's medication last year because of concerns about cost.⁵ It is not fair or right to ask patients and taxpayers to continue paying for high prescription drug prices that are the result of broken markets.

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High prescription drug prices can negatively affect older adults' health and financial security. Mike, a Medicare enrollee from North Carolina, needs Januvia and Jardiance to treat a health condition. His out-of-pocket costs were upwards of \$400/month for Januvia and upwards of \$140/month for Jardiance. Within one billing cycle, Mike entered the Medicare "donut hole," and could not afford the out-of-pocket costs. "At the end of the day, I'm not going to do it. ... This issue is near and dear to me but also hacking me off."

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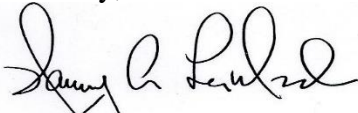
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High prescription drug prices can negatively affect older adults' health and financial security. Donna, a Medicare enrollee from New York, is living with a health condition and take Novolog to manage the condition. When asked what would happen if she could not obtain her insulin, Donna says, "I'll die, number one." Donna feels strongly that drugmakers should lower the costs of insulin. "Considering it probably cost them all of about \$2 to make a bottle of insulin, MAYBE \$2, their markup is over 300%. It's absolutely ludicrous. I know the games. I get it,

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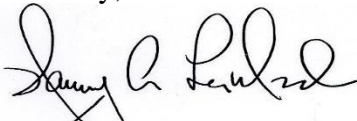
especially with the name brand products and companies. You're paying for all the R&D, but still, it doesn't come out to the astronomical cost that they [drug manufacturers] charge people."

AARP fiercely believes that the needs of Medicare beneficiaries should remain paramount as the agency implements the Negotiation Program. In 2022, about 1 in 5 adults ages 65 and up either skipped, delayed, took less medication than was prescribed, or took someone else's medication last year because of concerns about cost.⁵ It is not fair or right to ask patients and taxpayers to continue paying for high prescription drug prices that are the result of broken markets.

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High prescription drug prices can negatively affect older adults' health and financial security. Frank, a Medicare enrollee from Tennessee, is living with a health condition and takes Xarelto to treat the condition. Earlier this year, Frank had to pay over \$400 for a 90-day supply of his prescription. "That price varies over the year. It was over \$600 when I was in the donut hole." Frank also witnesses older Americans leaving pharmacy counters without their prescriptions because they cannot afford them. "Older people trying to live on very limited fixed incomes, that

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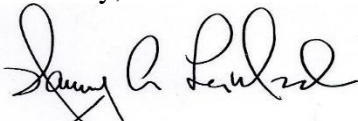
just don't have the funds, and they're not taking their medications as they should. That leads to lower life expectancy and quality of life and just about every bad thing."

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Data shows that brand-name drug prices have increased dramatically faster than inflation for decades. List prices for the 25 brand-name drugs with the highest total Medicare Part D spending in 2021 have increased by an average of 226%—or more than tripled—since they first entered the market.¹ Data also shows that all but one of the top 25 drugs' lifetime price increases greatly exceeded the corresponding annual rate of general inflation (Consumer Price Index All Urban Consumers for All Items; CPI-U) over the period that each product has been on the market (i.e., product launch date until May 2023).² For example, the price of Enbrel (Etanercept), used to treat rheumatoid arthritis and psoriatic arthritis, has increased by 701% since coming to market in 1998, and the price of Januvia (Sitagliptin), used to treat diabetes, has increased by 275% since entering the market in 2006.³ Further, the median price of a new brand-name prescription drug is now approximately \$200,000 per year,⁴ so even relatively small percentage price increases can translate into thousands of dollars and put life-saving medications out of reach of the patients who need them.

High prescription drug prices can negatively affect older adults' health and financial security. Dennis, a Medicare enrollee from Wisconsin, is living with a health condition and takes Eliquis to treat the condition. Dennis says he fills his prescription through his local Walmart pharmacy, and he must "stretch it" to the last week of the month because he has "other bills he has to take care of." Dennis lives on fixed Social Security retirement income, must go to Dollar General to be able to afford his food, and says that "to be able to afford [food] and stay healthy is a challenge." Dennis says he does not understand why Eliquis costs so much when it has been on

¹ Leigh Purvis, "Prices for Top Medicare Part D Drugs Have More Than Tripled Since Entering the Market." Washington, DC: AARP Public Policy Institute, August 10, 2023. <https://doi.org/10.26419/ppi.00202.001>.

² *Id.*

³ *Id.*

⁴ Benjamin N. Rome, Alexander C. Egilman, and Aaron S. Kesselheim, "Trends in Prescription Drug Launch Prices, 2008–2021," *Journal of the American Medical Association* 327, no. 21 (2022): 2145–47, <https://jamanetwork.com/journals/jama/fullarticle/2792986>; Deena Beasley, "U.S. New Drug Price Exceeds \$200,000 Median in 2022," *Reuters*, January 5, 2023, <https://www.reuters.com/business/healthcare-pharmaceuticals/us-new-drug-price-exceeds-200000-median-2022-2023-01-05/>.

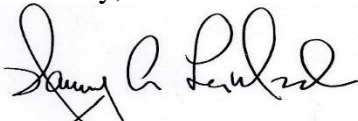
the market for so long. He feels that there should be cheaper options and that Medicare should be able to negotiate. “Put pressure on the manufacturers!”

AARP fiercely believes that the needs of Medicare beneficiaries should remain paramount as the agency implements the Negotiation Program. In 2022, about 1 in 5 adults ages 65 and up either skipped, delayed, took less medication than was prescribed, or took someone else’s medication last year because of concerns about cost.⁵ It is not fair or right to ask patients and taxpayers to continue paying for high prescription drug prices that are the result of broken markets.

Successful implementation of the new federal law will help reduce prescription drug prices and costs and ensure that millions of older Americans are better able to access the prescription drugs they need at a price they can afford. The Medicare drug price negotiation process will also finally allow CMS to push back on indiscriminately escalating drug prices and ensure that taxpayer funds are paying for value – all while saving billions for Medicare and its beneficiaries. The CBO estimates that the Negotiation Program will save Medicare and the American taxpayers nearly \$98.5 billion over 10 years,⁶ reduce the budget deficit by \$25 billion in 2031,⁷ and save Medicare Part D enrollees \$7 billion in 2031 due to lower out-of-pocket costs and premiums.⁸

This is about real people whose lives are on the line. For decades, older Americans have paid the highest prices in the world for prescription drugs - often three times higher than people in other countries. Now is the time to change that. Effective implementation of this Program will represent a major victory for older Americans and their families across the country who are struggling to afford their prescriptions. It will also help encourage and appropriately reward the development of truly innovative products. AARP stands ready to assist in any way with these and other efforts to bring down drug prices and help older Americans afford the medications and treatments they need. If you have any questions, please do not hesitate to contact me or Gidget Benitez at gbenitez@aarp.org.

Sincerely,



Nancy A. LeaMond
Executive Vice President and
Chief Advocacy & Engagement Officer

⁵ Stacie B. Dusetzina et al., “Cost-Related Medication Nonadherence and Desire for Medication Cost Information Among Adults Aged 65 Years and Older in the US in 2022,” *JAMA Network Open* 6, no. 5 (2023): e2314211, <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2805012>.

⁶ Congressional Budget Office, “Estimated Budgetary Effects of Public Law 117-169, to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14,” https://www.cbo.gov/system/files/2022-09/PL117-169_9-7-22.pdf. Accessed September 27, 2023.

⁷ Congressional Budget Office, “How CBO Estimated the Budgetary Impact of Key Prescription Drug Provisions in the 2022 Reconciliation Act,” <https://www.cbo.gov/system/files/2023-02/58850-IRA-Drug-Provs.pdf>. Accessed September 27, 2023.

⁸ *Id.*



October 2, 2023

Meena Seshamani, M.D., Ph.D.
Director, Center for Medicare
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services

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High prescription drug prices and related out-of-pocket costs can negatively affect older adults' health and financial security. Too many seniors are being forced spend down their retirement savings or to choose between paying for their prescription drugs or other important needs like groceries or housing. It is virtually impossible to adequately prepare for your future health care costs when they include prescription drugs with prices that are set on the basis of what the market will bear.

¹ Leigh Purvis, "Prices for Top Medicare Part D Drugs Have More Than Tripled Since Entering the Market." Washington, DC: AARP Public Policy Institute, August 10, 2023. <https://doi.org/10.26419/ppi.00202.001>.

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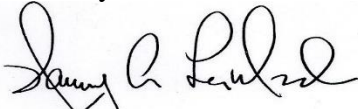
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